

The NATIONAL UNDERWRITER



KENTUCKY,
known to the Indians
as the "Dark and Bloody
Ground" because of the unceasing

wars between the Iroquois and Cherokees for possession, was the first State west of the Alleghanies to be admitted to the Union. Its transportation system dates to Daniel Boone's trail blazed through the Cumberland Gap in 1775. The Bluegrass Country is extremely fertile, yielding corn, tobacco, hemp, hay, and Bluegrass seed. Livestock farms flourish, and Kentucky's thoroughbred horses and its Derby are world-renowned. In its mines rest the world's largest supply of rock asphalt; it produces coal and one-fourth the nation's fluorspar. The sightseer is drawn to Mammoth Cave, a vast and mysterious wonderland with its cataracts, lofty domes, navigable waters, and chartered avenues. Insurance's Sun shines "bright on my old Kentucky home."



CRUM & FORSTER
MANAGERS



110 WILLIAM STREET • NEW YORK, N. Y.

UNITED STATES FIRE INSURANCE CO.

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RICHMOND INSURANCE CO.

Organized 1836

THE NORTH RIVER INSURANCE CO.

Organized 1822

WESTERN ASSURANCE CO., U. S. Branch

Incorporated 1851

WESTCHESTER FIRE INSURANCE CO.

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THE ALLEMANNIA FIRE INSURANCE CO. of Pittsburgh

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THURSDAY, NOVEMBER 21, 1946

In December of this year the American & Foreign Insurance Company will have completed fifty years of successful operation and gratifying growth.

OUR *Fiftieth* ANNIVERSARY

On the occasion of our 50th milestone we extend to all American & Foreign agents our sincere thanks for their loyal support and in the hope that we may merit its continuance we pledge our best cooperation in the years to come.

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AMERICAN & FOREIGN INSURANCE COMPANY

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Token Regulation Camp Playing with Fire, Gruhn Charges

Anything Less Than Effective Control Menaces Security of States, Industry

A. V. Gruhn, general manager of American Mutual Alliance, in addressing the luncheon meeting of the insurance group of the Union League Club of Chicago, Monday, staunchly championed the cause of the all-industry legislation and charged that those who are advocating less than effective state regulation of insurance rate making are playing with fire.

Until June of this year, he stated, the all-industry committee was in unanimous agreement on a program. That was something unheard of and possibly, he suggested with a smile, that is why the work of the all-industry committee is subject to suspicion in some quarters.



A. V. GRUHN

He said that the choice lies between wide open competition or adequate regulation of rates. Congress, in public law 15, he declared, has passed the decision to the industry and the states.

Committee's Objective High

The all-industry group, he said, never considered whether to propose regulation on a minimum basis or a maximum basis, or at some point in between. Its objective was to get something that was right and fair; that would free insurance rate making from the Sherman act prosecution and make it so good that Congress would never deem it necessary to enact federal regulatory statutes. It was not, in the estimation of the all-industry committee, a question of how much insurance could get by with. Its sights were set much higher than that.

Mr. Gruhn said that much significance must be attached to the meaning of the word "regulated." He declared that this is a word of action. It implies actual day-to-day adjustment under law. The speaker cited various statements of the President, of the Attorney General, of insurance commissioners and of Congressional leaders indicating that the states must either fix the rates or ap-

Paper Towel Co. U. & O. Loss May Be \$3 Million

CHESTER, PA.—Breakdown of a relatively inexpensive pressure vessel in a highly complex automatic machine of the Scott paper company here seems destined to exhaust the \$3 million use and occupancy coverage on the machine. The insurance calls for \$7,000 a day indemnity while the machine is out of use.

After the machine broke down several weeks ago it was discovered that the only people who could fix it were Allis-Chalmers but it will take 14 months to do the job, assuming no delays by strikes. However, work cannot be started until another machine, now being built, is completed.

It is believed that probably \$125,000 of the coverage is retained in this country, the remainder being reinsured with London Lloyds.

The machine is one which makes paper towels in a continuous process and is the only one of its kind in the Scott plant.

prove the rates that are filed with them in order for regulation to be effective and to keep beyond the reach of the anti-trust laws.

Token Regulation Won't Do

Mr. Gruhn declared that a mild or innocuous form of state regulation might very well precipitate federal regulation. Token regulation by the states won't do, he contended.

The all-industry bill was in process of development for more than a year, he emphasized. It was deliberated word by word and sentence by sentence. The all-industry committee represented 19 national insurance organizations, many of whom, he declared, are "mutually incompatible." The committee recognized that insurance is a highly competitive business and he cited the many ways in which he contended the bills provide for a continuance of competition.

At one time the all-industry committee was in complete accord except that there were 15 points of difference between the industry and the insurance commissioners association. Those differences were composed except that the commissioners insisted on retaining the word "profit" in the test of rates whereas the industry insisted on "underwriting profit." The final solution was for the N.A.I.C. to take this matter under advisement with the knowledge that the industry would fight for the use of the phrase "underwriting profit" in each state.

Members Are Polled

Prior to the Portland meeting last June, he recalled that Commissioner Harrington of Massachusetts said that the question had been raised as to how solidly the members of the various constituent organizations in the all-industry committee would support the bills. Hence, the members of each organization were polled and at Portland each of the 19 units went on record as being in favor of the bills without reservation. With such a record, when the industry was able for the first time to get together with the commissioners, the product, Mr. Gruhn contended, is worthy of support.

Mr. Gruhn recalled that in the resolution favoring the bills at the Portland convention there was a statement that rate making is a progressive science and that there will always be room for improvements and refinements. Under the guise of new ideas, Mr. Gruhn declared, there have been brought forward many

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Oct. Fire Loss Up 16.4%; 1946 Total Is \$458,687,000

NEW YORK—October fire losses, as estimated by the National Board, were \$40,108,000, an increase of 16.4% over last October and a .4% decrease from September, 1946. For the first 10 months losses were \$458,687,000, which exceeds any full year from 1931 to 1944, inclusive. The 12 months ended Oct. 31 showed a total of \$545,558,000, an increase of 20.9%.

Losses for the first 10 months of 1946 and the two preceding years are:

	1944	1945	1946
Jan. ...	\$38,572,000	\$44,865,000	\$49,808,000
Feb. ...	38,280,000	41,457,000	51,759,000
March ...	39,084,000	40,876,000	53,252,000
April ...	34,746,000	37,950,000	52,153,000
May ...	32,815,000	34,153,000	46,094,000
June ...	30,555,000	34,090,000	44,240,000
July ...	32,706,000	34,054,000	40,998,000
Aug. ...	30,618,000	34,096,000	40,019,000
Sept. ...	31,448,000	32,447,000	40,256,000
Oct. ...	32,173,000	34,470,000	40,108,000
Total...	339,029,000	368,458,000	458,687,000

Mail Vote on Floor Plan

NEW YORK—The proposal to have the Inland Marine Underwriters Assn. assume jurisdiction of floor plan risks is being submitted to the membership after the executive committee failed to authorize the move at a meeting last week. An 80% vote of the membership is enough to effect the assumption of the plan by the organization.

The writing of an all-risk coverage, dual interest, on dealer merchandise in which the manufacturer or wholesaler has an ownership interest, was authorized by the New York department some time ago after a hearing. There has been some demand for a package policy that includes insurance against fire, theft, transportation and other hazards. However, the demand is not heavy. It will, though, become so as goods become easier and credit restrictions imposed by the government are eased.

So far, the principal inquiries have come from companies financing merchandise, national accounts which though not numerous can exert considerable influence. If goods were available in volume, the pressure would be applied much more sharply.

The general observation is that there is still time to get a form on the market before the big rush comes, and perhaps other states will by that time have approved its use. Now only Arizona and New York do so.

It will take the I.M.U.A. 30 to 60 days to conduct its mail vote. A form already has been developed by an association committee, and the basis for rates worked out.

Gorman Has Parley with Pa. Legislative Group

Manuel M. Gorman of the U. S. Attorney General's office, addressed a group of about 50 attending a meeting at Harrisburg, Pa., on legislative matters. The group included directors of the Pennsylvania Assn. of Insurance Agents and members of the Pennsylvania industry conference committee. Also attending were executives of a number of Pennsylvania companies, life insurance leaders and members of the legislature and insurance department. Mr. Gorman answered a number of questions from the floor.

Marine Insurers May Now Cover Whisky in Ky.

Insurance Director Gives Permission in Inflated Value Emergency

LOUISVILLE—Lifting of ceilings on whisky prices has sent the market into a dizzy whirl, with the result that the capacity of the insurance market is nowhere near sufficient to cover the inflated values. Insurance Director Wilson of Kentucky, in an endeavor to give the whisky industry in his state a lift, has issued an emergency ruling whereunder marine insurers and the marine departments of fire companies are given permission to insure whisky stored in bonded warehouses.

There are a few exclusively marine writing companies that will now be able to provide insurance in Kentucky if they so desire. In many of the fire-marine companies, the policy is to combine fire and marine lines for underwriting and in such institutions the new Kentucky ruling will not eventuate in increased authorizations because the fire departments are already providing the limit.

Some Departments Separate

In other companies fire and marine underwriting is completely separated and each unit stands on its own bottom. Here at least theoretically is an opportunity for brokers to get coverage from the marine departments, but there is a possibility that under these special circumstances the marine departments would be likely to check with the fire departments on the amount of the liability to which the company is already committed.

Most recent government ceilings per original proof gallon was 93 cents and it is reported that currently sales are being made at Louisville for this merchandise at \$1.53. The OPA ceilings on original proof gallon four years old or over was \$2 and currently sales are reported that are as high as \$10 which is \$500 a barrel.

The whisky interests, it is reported, have simply instructed their insurance brokers to get all the insurance that can be obtained, knowing that in any event they won't be able to get enough to cover present inflated values. Most observers believe that this highly volatile market exists because of the rush to take advantage of the holiday trade and that after the first of the year, there will be a decline.

Must File Affidavit

Mr. Wilson specifies that the licensed producer placing the business shall file an affidavit with the insurance department that sufficient coverage cannot be obtained in the fire insurance department of companies. The producer shall file a certified and detailed quarterly report of the insurance written. Only fire, windstorm or fire and extended coverage shall be written and coverage shall be restricted to specific forms of policies and specific locations. Reporting form policies are prohibited.

Policies shall be written at rates and under the rules and forms of the Kentucky Inspection Bureau and dailies shall be routed through the bureau. All

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TO BE CRAVEY'S AID

Hubert McDonald
Georgia Deputy
for Insurance

ATLANTA — Hubert McDonald of Atlanta has been named deputy insurance commissioner of Georgia by Comptroller General William R. Mitchell, who is filling the unexpired term of the late Homer C. Parker, who died several months ago. The position of comptroller general carries with it by virtue of office, the title of insurance commissioner, but when Mr. Mitchell accepted appointment from Governor Arnall for the unexpired term, running till the middle of next January, he did not appoint a deputy. Mr. Mitchell had served as deputy several years prior to his resignation last year to enter private business. He accepted the position as an accommodation and refused to be considered in the state election for a full term.

Zack D. Cravey, well known in Georgia public life, was elected overwhelmingly to the position of comptroller general. He is a native of Milan in Telfair county, home of Governor-elect Eugene Talmadge, who also takes office the middle of next January. The appointment of Deputy Commissioner McDonald was made in collaboration with Mr. Cravey, being his choice for deputy, and Mr. Mitchell appointed him at this time to enable him to familiarize himself with his new duties.

Mr. McDonald is well known throughout Georgia, having served for many years as bank examiner for the superintendent of banks. He was in a key position during the serious banking troubles during the first years of the critical stage from 1930 on through the financial siege experienced for several years. Subsequently Mr. McDonald held a position with the regional office of Reconstruction Finance Corp., with headquarters here. He is considered an excellent choice for the position and his knowledge and familiarity with economic conditions, including many phases of insurance, equips him to handle his new duties.

Warehouseman Liable When
He Fails to Notify Insured

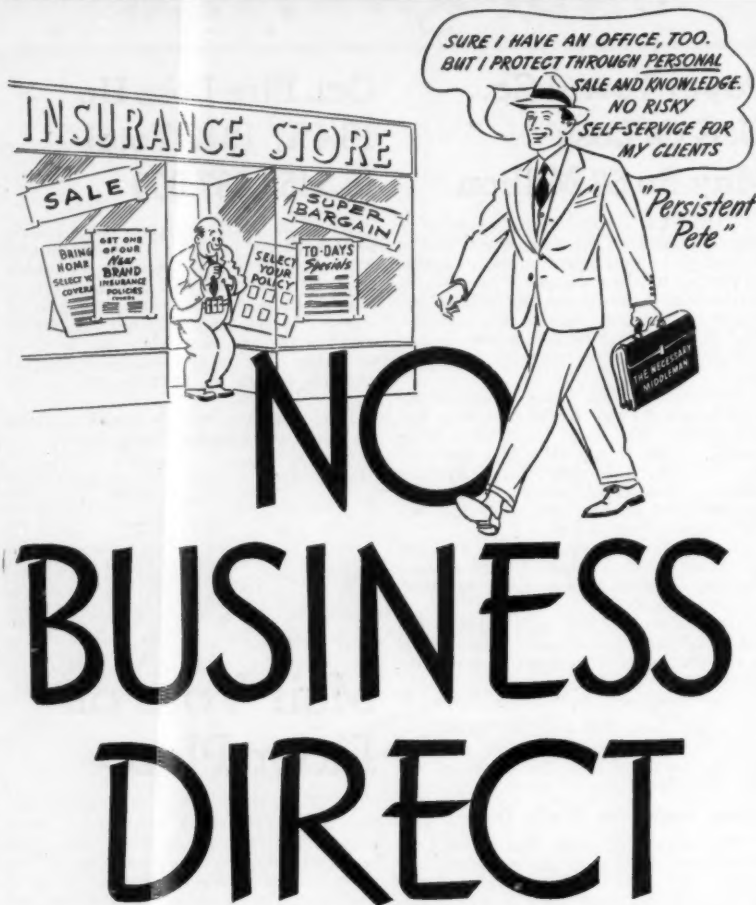
In *Routh vs. Sanders* in the Tennessee court of appeals, the court held that where the defendant, a storage warehouse owner, insured household goods of the plaintiff and failed to notify the plaintiff that there is a limit of 60 days on insurance coverage for temporarily stored goods, the warehouseman is liable for the goods as long as he stores them.

The goods had been stored in Nashville until the customer could find a house and the customer had been told by the warehouse man that the goods were insured for \$2,000 in Fireman's Fund. The warehouse company issued a notice to the customer that the insurance had been effected and this notice contained a clause which limited cover on temporary storage of goods to 60 days. However, this notice was not delivered to the customer but was held in the warehouse company's file because the Nashville address of the customer was not known. Fire occurred in the warehouse 60 days later and the court held that there was an implied contract under which the storage company was obligated to insure the property of the customer for the whole time it was in storage. This was a reversal of an earlier holding in the chancery court of Davidson county.

McMullen Addresses Accountants

Horace McMullen of the National Board will speak on arson at the meeting of the Chicago Insurance Accountants Assn. Nov. 21 at 6 p.m., in the Chicagoan hotel.

"Persistent Pete" Is Man of the Hour



Security of New Haven is distributing a poster which marks "Persistent Pete" as a necessary middleman in insurance selling.

Companies seem to be making hay while the Liberty Mutual story of the "Saturday Evening Post" is still fresh. Glens Falls group recently got out a poster emphasizing that insurance may be bought "store-wise" in any local agency, and now Security points out the advantages of the personal services of the insurance agent.

Gamewell Co. Is Hit in Anti-trust Move

WASHINGTON — The Department of Justice announces that a federal grand jury at Boston has returned an indictment charging the Gamewell Co., Newton Upper Falls, Mass., and five of its officers and employees with "monopolizing the manufacture and distribution of municipal fire alarm equipment."

American District Telegraph Co. together with its president, Edmond A. Ward, were also named as defendants in the first two counts of the indictment for "conspiring with the Gamewell Co. to restrain and monopolize trade in both the leasing of fire alarm equipment to public and private institutions, and in the sale of such equipment to municipalities," according to the announcement.

The indictment alleges that Gamewell "does in excess of 90% of the business in this country," the department said. In achieving this alleged monopoly, the indictment charges Gamewell with "numerous illegal practices extending over half a century," it was stated.

"This case is one of the first cases to be filed in the program of the Department of Justice to bring relief to public agencies that have been forced to pay exorbitant prices as a result of collusive dealings and monopolistic practices on the part of bidders," stated Attorney General Clark.

According to Wendell Berge, assistant Attorney General in charge of the antitrust division, Gamewell has "acquired almost absolute domination of the municipal fire alarm industry."

"The indictment alleges that municipalities are charged high, unreasonable prices by Gamewell," said Berge, "and this may be one of the principal reasons for the lack of adequate fire alarm pro-

tection in cities."

A civil complaint was filed simultaneously with the indictment to "enjoin the defendants' illegal practices, seeking dissipation of the effects of abuse of patent rights by the defendants, divestiture of the properties and assets of the Gamewell Co., and such other relief as will effectively dissolve the monopoly," the department stated.

Natl. Board Sends Public
Relations Kit to the Field

A new kit containing speech and reference material about the fire insurance business is being distributed by the National Board to field men and others who have public contacts. It supplies material for speeches and for informative conversations.

The kit consists of 16 indexed folders in an expansion envelope. Most of the folders now contain printed information and additional bulletins will be sent out. The expansion envelope or its files fit into a filing drawer or can be carried.

The 16 classifications are titled: "Meeting the Public"; "Talking to the Public"; "Friend and Analyst — the Agent"; "How the Individual Benefits"; "How the Nation Benefits"; "In Time of Need — the Adjuster"; "Solvency Against Catastrophes"; "How a Company Operates"; "Rates and Costs"; "Services Beyond the Contract"; "Research in Insurance"; "Some Quotable Statistics"; "A History to be Proud of"; "What Others Say"; "Facts about Fire Prevention"; "Today's Problems."

Await Move to
Elevate Status of
Ohio Superintendent

COLUMBUS — If Thos. J. Herbert, who becomes governor of Ohio early in January, carries out his campaign promise to make the superintendent of insurance a cabinet position and raise the salary from \$5,000 to \$7,500, it may be several months before a new superintendent is named. The salary is set by statute, it is explained, and the salary of no official can be increased during his incumbency of the office. It would take several months at least, it is believed, to have the desired law passed.

Some believe, however, that the law against increasing the pay of an official while he is in office, applies only to elected officials and not to appointed officials. It is contended also that if the superintendent of insurance were made a member of the cabinet with an increase in pay it would be the same as the establishment of a new office.

It is recalled that in 1912 Gov. Judson Harmon named E. H. Moore of Youngstown superintendent of insurance. The pay was then \$4,000 and Mr. Moore would not accept the office at that figure. It took a year, it is recalled, to have a law passed increasing the pay and the Republican superintendent of insurance was permitted to serve another year.

In connection with the appointment of a new superintendent two names have been mentioned: Senator Theodore M. Gray of Piqua, who is secretary of the Ohio Assn. Insurance Agents, and J. Roth Crabbe, former superintendent, who is now associated with the Farm Bureau companies.

Suggests Package That
Would Include Collision

NEW YORK — Collision insurance is a relatively big premium item, according to Alex Goldberger in the Brooklyn Insurance Brokers Assn. "Bulletin." Compared to the present fire and theft premium, it warrants a completely fresh approach by a promotional expert. It can be developed into a money maker for the companies if reasonably priced and forcefully sold, Mr. Goldberger believes.

He wondered what would happen if one of the big companies would set up a million dollar kitty, package a policy to insure comprehensive fire-theft-\$50 deductible collision at a single premium, pay the broker a 5% cumulative bonus if he brought in 10 a month for a five month run and got a real amount of business thereby. Suppose the rate were fixed on a percentage basis, as inland marine is, 5% of the insured subject to a minimum premium of \$50.

"We can't believe that 5% of our rolling stock value is destroyed each year by the perils mentioned."

Calls for National Board
Help to Boston Fire Dept.

BOSTON — Fire Commissioner Russell Codman has called upon the National Board to send him experts to aid in reorganizing the Boston fire department. A recently passed referendum which provides for a 48-hour week for firemen means that 750 new members will have to be added to the force to provide even minimum protection, according to Mr. Codman. Speaking before the Bay State Club, he said that the shorter hours require a complex staggering of duty. He is recommending to the city that an annual replacement fund be set up for keeping fire apparatus up-to-date and calling for a larger fire protection force.

Theodore W. Gunn, chief engineer of the New Hampshire Board, gave a demonstration of the causes of dust, gas, and electrical flash fires.



Dineen Refutes Sawyer Charges

Speaks at Mutual Companies Meeting; Robideau New President

Superintendent Dineen of New York in a discussion on rate regulatory problems at the annual meeting of the National Assn. of Mutual Insurance Companies at Buffalo last week, declared that E. W. Sawyer was "100% in error" when he "implied" that Mr. Dineen believes in a monopolistic state control and further said that there is no price competition in New York.

Mr. Dineen said that he is a state official in charge of enforcing New York laws. The philosophy of the New York department is that if companies want to join in rate making activities, they must submit to regulation. If not, he said they must still submit to some regulation, but have a free choice. In any case, someone must be the arbiter.

He said that he would fight for the all-industry bills and asserted that the representatives of some of the companies who say that not so much regulation is required are the same ones indicted in the S.E.U.A. case and the same ones who were involved in the Prendergast bribery case in Missouri several years ago.

Mr. Dineen was taking issue with a talk of Mr. Sawyer's in Chicago Oct. 28.

Robideau New President

Clyde J. Robideau, secretary North Dakota Mutual Fire and Lightning of North Dakota, was elected president of the association to succeed George A.



Clyde J. Robideau, left, new president of the National Assn. of Mutual Insurance Companies, receives the presidential gavel from George A. McKinney, outgoing president.

McKinney, vice-president Millers Mutual Fire of Alton, Ill.

Other officers elected are: Vice-president, Leo Mingenbach, Hardware Dealers Mutual Fire, Stevens Point; treasurer, George McCotter, vice-president Grain Dealers National Mutual Fire of Indianapolis. Ten new directors were elected and six new department heads installed.

The meeting was largely devoted to rate regulation matters. Those who spoke on that subject included Chase M. Smith, secretary National Retailers Mutual, who gave some background information; A. V. Gruhn, general manager of American Mutual Alliance, and Harry P. Cooper, former secretary of the companies' association.

Mr. Gruhn remarked that rate regulation that actually does a strong regu-

Vermont Study Group Bill Provides for Merely Challenge of Rate Filings

The Vermont insurance legislative study committee will recommend to the legislature in 1947 fire and casualty rating legislation that embraces neither prior approval nor subsequent disapproval, but simply sets up procedure whereby the commissioner may challenge rates that have been filed that he believes do not comply with the requirements of the act.

Announcement to this effect was made by Albert D. Pingree, deputy commissioner and chairman of the study committee.

Rate filings must be made either by individual companies or by licensed rating bureaus. Then if at any time the commissioner believes that a filing does not meet the requirements, he shall hold a hearing upon at least 10 days written notice, specify the faults that he finds and announcing that within a reasonable time, such filing shall be deemed to be no longer effective. However, no such order shall be issued retroactively.

Aggrieved Person May Act

Also it is provided that any person or organization that feels it is aggrieved by any rate filing may apply to the commissioner for a hearing. The grounds for the application shall be specified and if the commissioner finds

lating job is what is required by P. L. 15. The tendency of some groups to hack away at the all-industry bills is detrimental, he said. The American Mutual Alliance would as soon take a chance under federal regulation as state control, Mr. Gruhn declared.

Mr. Cooper discussed the effect of P.L. 15 on local farm companies operating in only one state. He warned against a feeling that they are immune from the interstate commerce laws. They should scrutinize their operations carefully before ignoring this problem because they may deal with mortgagees living out of state or property owners out of state, and should determine how this would apply.

Garfield Brown of the American Mutual Alliance spoke on "Other Aspects of Regulation Under P.L. 15." He cited some recent decisions under the wages and hour act that affect insurance companies. Following his talk the question was raised as to whether a man being trained for field position under the G.I. bill must be paid overtime after 40 hours, and thus possibly increase his pay above the \$200 maximum set by the government.

H. L. Kennicott, secretary Lumbermen's Mutual Casualty, made some observations on education in the insurance business, discussing what type of education would be needed to advance men to higher positions.

There were several department meetings at which specialized technical problems were considered.

At the farm group meeting, Prof. Henry Giese of Ohio State College spoke on farm construction. Mr. Giese has done practical research in farm construction in attempting to evolve buildings which would cut fire losses and minimize windstorm damage.

He declared that prefabricated buildings are the answer. The reason for much of the poor farm construction has been an abundance of lumber which made it unnecessary to economize or make the best use of material by using skilled workmen, he said. Conditions now call for such economy, and he predicted the shortage of lumber will bring European techniques of building into the farm field. That would mean that nails and other wasteful materials would be discarded.

Due to the illness of August Lieber, the August Lieber agency at Fremont, O., has been sold to F. F. Clink.

that the application is made in good faith and that hearing is justified, he shall within 30 days after receiving the application, hold a hearing upon not less than 10 days notice. Then if he finds that the complaint is justified, he may order the filing to be discontinued.

All rates and rating plans must be filed at least 30 days in advance of their effective date, except that specified inland marine rates on specially rated risks and specially filed rates on surety bonds required by law or public order become effective when filed.

The Vermont bill provides that a reasonable margin for "underwriting profit" shall be taken into account when making rates. The all-industry bill specifies that "profits" shall be the test. Then there is a feature that differs from the all-industry pattern providing that a rating organization shall notify a member or subscriber at the time it makes a filing stating the substance thereof, providing such procedure is requested by such member or subscriber. It is specified that an executive officer of the member or subscriber may inspect the filing before it becomes effective. This is designed to make it possible for any member or subscriber to be fully informed of contemplated changes in rates before becoming effective.

Consolidate Mutual Rating Groups; Rodda Secretary

The Mutual Marine Conference and the Mutual Aircraft Conference have been consolidated into a new organization to be known as Transportation Insurance Rating Bureau, with headquarters at Chicago. William H. Rodda, who has been secretary of both organizations, will continue in the post with the new bureau, which will provide rating and safety service on inland marine and aviation risks for 40 mutual companies.

Carolinas Pond Initiates 11

With a record attendance, 11 new members were initiated at the November meeting of the Carolina Pond of the Blue Goose.

N. A. Nelson, Rocky Mount, N. C. adjuster, resigned as guardian because of pressure of business, and Frank W. Hook, state agent of New Hampshire, was elected to fill that office. Most loyal Gander H. G. Turner, Columbia, S. C., presided.

Elect at Benton Harbor

BENTON HARBOR, MICH.—The Twin Cities (Benton Harbor and St. Joseph) Assn. of Insurance Agencies has elected Richard M. Merrill, Benton Harbor, president, succeeding John Lindenfield, St. Joseph. Vice-president is Carl Fritz, Sr., of Fritz & McKinney; secretary, William M. Allen, both Benton Harbor, and treasurer, Dan Mather, St. Joseph.

To Fete Hogg and Hobbs

The insurance membership group of the Union League Club of Chicago will give a good fellowship luncheon Dec. 16. There will be two prominent life insurance men featured, they being Robert L. Hogg, executive vice-president of the American Life Convention, and Philip B. Hobbs, agency manager of Equitable Society and president of National Assn. of Life Underwriters. The group desires to feature Chicago insurance men who have attained distinction, brought honor to their calling, have been elected to some office or in some other way have given insurance a boost.

Corroon Dies, Bold Leader

NEW YORK—Richard A. Corroon, president of Corroon & Reynolds, died



R. A. Corroon

at Doctors Hospital, New York City, of a heart attack following pneumonia. He had been in the hospital a week. Two days before his death he was thought to be on the road to recovery but took a turn for the worse the night of Nov. 13 and died early the next morning. He was 64 years old.

Cardinal Spellman presided at the solemn high mass of requiem at St. Patrick's Cathedral, with the Right Rev. Msgr. Joseph F. Flannelly, administrator of the cathedral, as celebrant. The cathedral, which seats 4,500, was filled almost to its capacity.

Starting in 1898 as a \$3 a week office boy with S. A. Coykendall & Co., New York City insurance brokers, Mr. Corroon built an organization that this year will have gross premium writings of more than \$50 million. Mr. Corroon organized R. A. Corroon & Co. as a brokerage organization in 1905 in conjunction with his brother, James F. Corroon, who is now its president. At the time of his death, he was president and director of American Equitable, Globe & Republic, New York Fire and Corroon & Reynolds, Inc.; and chairman of Merchants & Manufacturers, Central Fire Agency, Inc., and R. A. Corroon & Co.

Organized Equitable Underwriters

His first entry into company ranks was when he organized Equitable Underwriters, a Lloyds underwriters, with a group of his close friends. This was followed by the acquisition of Knickerbocker from the Willcox, Peck & Hughes interests. Next he organized American Equitable.

Mr. Corroon was intensely interested in the insurance business. He was highly skilled in insurance and financial operations, tax problems, and, in fact, every angle of the business. He was not one of those who put business affairs out of their minds when they leave the office. He constantly thought about the progress of his companies. He even had a pad and pencil on his bedside table so that he could jot down any ideas that might occur to him before he dropped off to sleep or when he woke up. He kept constantly in touch with his office by telephone even during vacations.

Inspired Deep Loyalty

Mr. Corroon had the capacity for surrounding himself with capable associates, among whom he inspired a strong loyalty both to himself and the organization. Clear down the line he was regarded not only as the head man but as a friend. As one of his close associates said of him, he was not only a deeply religious man but through every act and deed he lived his faith.

As an illustration of his personal interest in those in the organization, any time an employee was seriously ill or had to have a major operation Mr. Corroon arranged for a consultation by his personal physician, one of New York's most famed diagnosticians.

Because of his financial astuteness, Mr. Corroon was frequently asked to sit on the boards of corporations outside the insurance field. However, he always declined these, as he preferred to devote his entire business activity to the insurance business. He served as chairman of the National Board's finance committee and at the time of his death was a member of its executive

(CONTINUED ON PAGE 14)

Delay in Getting Data to Consignees Ups Marine Thefts

NEW YORK—American exporters who are anxious to build up good will for themselves and their products in foreign countries should make certain that necessary documents are available to consignees so as to enable them to take delivery of their merchandise promptly upon arrival, according to the American Institute of Marine Underwriters.

Marine cargo underwriters in this market say that delays in forwarding documents have been responsible for goods being held at destination by governmental authorities, mostly in customs warehouses, particularly on shipments to South America. Not only does this result in delay for the consignee who is anxious to get his merchandise but, in many cases, these goods are exposed to serious theft and pilferage risks and damage which could be eliminated if the consignees had the necessary papers to claim the merchandise upon its arrival.

It is understood that often documents are not forwarded until some considerable time after the shipment has been made. Delays in some instances have been so long that it would appear that the documents were mailed from this end after the merchandise had arrived at destination.

The underwriters suggest that documents should be dispatched to consignees not later than the date when the shipment is made. They believe that this will lessen shortages and damages.

Sloan Heads B. C. Assn.

VANCOUVER—W. R. Sloan, Royal Exchange, has been elected president of the British Columbia Underwriters Assn. Vice-president and chairman of the automobile committee is W. G. Gerrard, Northern Assurance; vice-president and chairman of fire committee, F. H. LeCouteur, Royal; vice-president and chairman of casualty committee, R. B. Spears, General Accident; vice-chairman automobile committee, J. L. Robertson, Queensland; vice-chairman fire, G. L. Craddock, North America; vice-chairman casualty, A. M. McTavish, Canadian Surety.

Ashland-Bayfield Agents Elect

ASHLAND, WIS.—Organization of the Ashland and Bayfield Counties Assn. of Insurance Agents was completed at a dinner meeting here with the election of L. W. Pool, Sr., as president; Lawrence Lamal, vice-president, and R. Roy Hogan, secretary-treasurer. Clarence Wilda had acted as temporary chairman since the group was informally organized at an earlier meeting, attended by Urban Krier, Milwaukee, executive secretary of the Wisconsin association.

D. B. Sherwood Honored

Donald B. Sherwood, former general adjuster of the Commercial Union group, was guest of honor at a buffet dinner given by more than 50 of his friends in the loss end of the business to wish him success in his new post of general adjuster of the National Board. On behalf of the group R. C. Williams, general adjuster of Hanover, and George D. Vail, Jr. secretary of Corroon & Reynolds, presented Mr. Sherwood an onyx desk pen set with an inscribed plaque commemorating the occasion.

Eggleston Toledo Speaker

At a meeting of the Toledo Assn. of Insurance Agents, Nov. 26, T. A. Eggleston, superintendent bond department of Aetna Casualty, Detroit, will talk on blanket bonds.

Indiana Pond Initiates 10

About 90 members of the Indiana Blue Goose attended the initiation of 10 candidates at Indianapolis. A memorial service for Frank J. Florack, who died last summer, was conducted by George R. Prickett, American, assisted by James A. Bawden, Springfield. Ralph Hudler, Aetna Fire, sang two solos.

Charles Mullican, Fireman's Fund, deputy most loyal grand gander, brought a message from the grand nest, and communications from George E. Edmandson, most loyal grand gander.

A life membership was announced for J. Bruce Dorsett, N. B. & M.

It was voted as the Indiana pond preference that the 1947 annual meeting be held Oct. 6-8 at Miami Beach.

Harris Joins Burnham

Sam T. Harris has joined the W. L. Burnham general agency in Birmingham as special agent for Alabama. For several years he has been in the local agency business in Birmingham.

Pacific Coast Names Doyle

Pacific Coast Fire has appointed the Francis A. Doyle agency, New York City, as metropolitan agent and suburban general agent (mainland area) effective at once. The agency was established 11 years ago.

Successful Goshen Inspection

Thirty-seven members of the Indiana Fire Prevention Assn. conducted an inspection of Goshen. The luncheon was attended by more than 100 business men. Richard E. Vernor, Western Actuarial Bureau, was the principal speaker. He also presented the annual achievement trophy of the Junior Chamber of Commerce to the Goshen fire department. L. H. Humphrey, Roy Kenga and Don Stoutenour, local agents at Goshen, were active in promoting the inspection.

Codify WAA Insurance Rules

WASHINGTON—War assets administration officials are codifying in manual form the WAA rules, regulations, requirements and procedures relating to insurance with respect to surplus government properties being disposed of by or through that agency by means of sale or lease. The manual is for use within the organization and contains no changes from past performance, it is stated.

May Sponsor Highway Program

NEWARK—At a luncheon meeting of the Casualty Underwriters Assn. of New Jersey Monday it was decided that the committee on highway safety should sponsor a program along that line in conjunction with the safety campaign now being waged in the state. The committee will report at the next meeting.

Martin Hartford Claim Chief

The Hartford group has appointed W. J. Martin manager of the loss department in Toronto. He has been operating his own insurance adjusting office in Toronto and before that was with Maryland Casualty and Atlas Assurance.

Gustav H. Guenther, 66, prominent local agent of Sheboygan, Wis., died there. Several years ago Mr. Guenther suffered a heart attack and since that time had been under medical observation, but had been able to conduct his business affairs and only a few weeks ago attended the convention of the Wisconsin Assn. of Insurance Agents in Milwaukee.

Mr. Guenther was active in the National and Wisconsin associations as well as the Sheboygan Board. He started in business 50 years ago, taking over the agency founded in 1855 by his grandfather, Frederick Hoppe, when the latter died in 1896. Mr. Guenther then was only 16 years old.

More Leeway on Blanks Changes Seems Assured

NEW YORK—More leeway in considering changes in the annual statement blank and in the effective date will be given the companies, it was indicated by Commissioner Allyn of Connecticut, chairman of the National Assn. of Insurance Commissioners subcommittee on blanks, at the hearing held here.

C. G. van der Feen, comptroller of National Surety, pointed out that present procedure gives the companies scant time to consider the proposed changes before they are adopted. He urged that Jan. 1 be the deadline for all proposals and that the agenda be in the companies' hands by Jan. 31. He suggested that the blanks committee meet about April 1, that its preliminary report be available to the companies by May 1, and that the N.A.I.C. executive committee give the companies a final hearing before adopting a report. He asked that the more important changes not apply to the year in which they are adopted but be made effective Jan. 1 of the next calendar year.

Representatives of other insurance groups, both stock and mutual agreed with Mr. van der Feen's recommendations.

Property Buyer Bears Loss Occurring Before Possession

In *Ross vs. Bumstead* in the Arizona supreme court, a decision on an appeal from a lower court was affirmed that the buyer of a packing house and warehouse which was destroyed by fire would have to bear the loss rather than the seller, even though the fire occurred before possession was called for in the contract. The original contract had specified that possession of the premises was to be given when the title insurance policy, deed and mortgage were delivered, but that the possession should go back to the date of agreement for the purpose of adjusting income and charges against the property. The buyer had agreed to pay \$75,000, payable \$5,000 upon the execution of the agreement, \$20,000 when the title insurance, deed and mortgage were ready for delivery and the balance in quarterly installments for six years. After the building had burned, the buyer requested the seller to make an adjustment for the loss, but the seller refused to do so. The buyer then stopped payment of the check which he had given as deposit and refused to complete the contract. The seller filed action to recover from the defaulting buyer the difference between the selling price and the actual selling price to a third party. The court held that "the contract did not depend upon any contingency, but at best its performance was suspended to a future time. As such a contract, it is simply an executory contract containing unperformed but absolutely binding agreements."

Fire Fighting Division in Armed Services Proposed

MILWAUKEE—Creation of a national fire prevention and fire fighting service as a separate branch of the armed services has been suggested by Fire Chief Edward Wischer, who will recommend the plan at the International Assn. of Fire Fighters' convention in New York for approval and submission to the federal government.

T. M. Gray "Not Available"

T. M. Gray, executive secretary of the Ohio Assn. of Insurance Agents, who has been mentioned as a possible appointee for Ohio insurance superintendent, announces that he is "not available" for such appointment.

Investigate Wave of Fires in Central Mo.

What is believed to be a wave of incendiaryism is taking place in the vicinity of Moberly, Mo., in the north central part of the state about half way between Kansas City and St. Louis.

Four to six fires have occurred simultaneously in a total of six towns and have been described by investigators as apparently the work of arsonists.

In Higbee five fires caused nearly \$100,000 in damage, each being started by spreading and mixture of gasoline and oil over the back doors of business establishments. The Higbee fires centered in the two block business district and damaged two garages, a house and destroyed the Baptist church. These followed within two days an attempt to burn the small town of Gilliam, where officers said the fires started in the same manner as those in Higbee.

Four other towns have had similar experiences, the latest being on Wednesday night, when six fires burst out in a small village.

Ralph Truman, cousin of the President, is in charge of that district for the National Board, and National Board investigators are working on the case.

Cites Value of Insurance Export to Britain

The important part which the insurance industry in Britain plays in servicing world trading was detailed by Matthew Lindsay when he spoke to the Insurance & Actuarial Society of Glasgow, of which he is president.

Quite apart from the international business transacted by Lloyds, fully 70% of the total insurance transacted in Britain is for foreign concerns.

A net profit accruing to this country from insurance business overseas was estimated at £20 million a year, and in these days when exports are of such great importance, British insurance is a valuable asset to the country, Mr. Lindsay said.

He declared that if the insurance companies are left to develop as in the past, animated by public spirit and operated by private enterprise, they would continue to give confidence to commerce and stimulate thrift and independence, besides making a substantial contribution to the financial strength of Britain.

Fete Pulbrook in Ore.

PORTLAND, ORE.—Sir Eustace Pulbrook, chairman of the committee of London Lloyds, was entertained by civic leaders and treated to a tour of the Columbia River highway, while passing a few days here on his current tour of the U. S. He was honored guest at a large luncheon tendered him by Julius E. Finke, Portland manager for Swett & Crawford, and Roy F. Owen of the Roy F. Owen Co., adjusters, both being actively representative of Lloyds business in this area.

Sir Eustace's traveling companions are E. George Wickens, a member of the Lloyds staff and John Duncan, Jr., of Duncan & Mount, New York.

Sir Eustace was also honored at several smaller gatherings, including one held by Albert A. Comrie, and a special meeting arranged by members of the Surplus Line Assn. over which Ferry Smith of Dooly & Co. presided in the absence of the chairman, George F. Newlands.

DUE AT L. A. SUNDAY

LOS ANGELES—Sir Eustace Pulbrook is due here Sunday for a week's stay. He will be guest at a luncheon Monday given by William E. Leiby, Massachusetts Indemnity manager and Lloyds representative.

Social Security in a "nut shell", plus the gadget appeal. That's the *Social Security Pocket Slide*. Ask THE NATIONAL UNDERWRITER.

November 21, 1946



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Development of Mobile Stores Gives Agents and Underwriters Food for Thought

The Automobile Manufacturers Assn. in "Automobile Facts" calls attention to a minor revolution occurring in American merchandising methods today that is of interest to the agents and insurers. More and more businesses are being put on wheels, and merchants are taking to the highways with streamlined truck or trailer stores to bring their goods and services directly to the customers' doorstep.

Groceries, fully equipped home appliance stores, restaurants, dress shops, printing establishments, repair shops and banks are among the businesses which travel by motor vehicle. Use of mobile businesses got under way before the war, but activity was curtailed during hostilities. The idea received fresh stimulus during the war years, however, because of the many uses to which military services put this type of vehicle.

One of the committees of the National Bureau of Casualty & Surety Underwriters has discussed the underwriting of the casualty coverages for

such risks, and the subject is on the agenda for future meetings. Apparently it will not be too difficult to handle the vehicular hazard. The mobile unit will be underwritten as a commercial automobile. Then there is the O. L. & T. hazard. It has been suggested that this would call for the minimum premium because of the small "frontage" and the insignificant area involved. However, some companies might not want to undertake the risk at the minimum but would require something more, the amount being based on judgment. There is also the product liability hazard, which would be based on the amount of sales.

This type of operation does not fit into well defined underwriting categories. It may be necessary to rate the risk on judgment and to take into account such factors as distances and territory traveled, the character of management, and so on.

Protection of merchandise calls for a marine form, probably the automobile transport-cargo policy. The contents

would be written as are the contents of trucks. Underwriters would watch the theft and burglary hazards particularly. They would want to know how the mobile store is guarded, the inventory control in order to avoid pilferage losses and inventory shortages. It might be written on a deductible to avoid the possible development of a number of small losses. The fire hazard also would be dangerous because of the concentration of liability and the comparative ease with which a customer could start a fire by tossing aside a cigarette.

"Automobile Facts" cites the case of a veteran who recently purchased a specially built trailer to go into the grocery business. The vehicle is 28 feet long, has built in storage shelves, racks for fruit and produce, as well as counters, skylights and store doors.

A west coast food distributor has placed into operation a fully equipped super market on wheels. It caters to individual housewives, restaurants, hotels, steamship companies and other large food outlets. Banks have placed branches on wheels to take them to communities where no banking service is available. Traveling restaurants in Connecticut and New York take service to industrial plants and residential areas.

Hold Concurrent Policy Does Not Void Unless Specified

In *Employers Casualty vs. Ragley*, the Texas Court of Civil Appeals held that concurrent insurance does not void a policy in absence of an attempt to defraud.

The plaintiff had insured her cottage for \$500 and her garage for \$100 with Jersey. She later insured with Employers Casualty for \$3,500 "everything which is legally part of the building" which was also in effect at the time her garage and fence were damaged by fire. The plaintiff received \$100 from Jersey for loss of the garage and started action to recover from the defendant company the amount of her loss less the \$100.

Contention of Employers

Employers Casualty contended that since the garage had been insured under another policy it was to be assumed that it was insured for the amount of coverage desired and that full insurance under the policy should apply to the house alone. The court held that there was nothing in the Employers Casualty policy to the effect that if insured should have a policy with any other company. Employers Casualty should have no liability. It held that Employers Casualty was bound to liability on a pro-rata basis if there were concurrent insurance.

Cites Notable Alumni of Cleveland Field Club

Clayton G. Hale, of Hale & Hale Co., Cleveland, addressed the monthly meeting of the Cleveland Field Club, complimented the group upon the number of company executives that have come from their ranks, and mentioned the following worthy of mention:

Hubert Lehr, secretary, Michigan F. & M.; John L. Magenheimer, secretary, North British; E. M. Kelley, manager inland marine department Hartford Fire; Harry L. Grider, western department manager Factory Association; Philip S. Beebe, assistant manager western department Hartford Fire; J. R. Cashel, western department manager Providence-Washington; John Rygel, vice-president Hanover; D. H. Moore, secretary Home; L. E. Falls, vice-president, American; W. J. Gilsdorf, superintendent North America; R. S. Winnard, Fire Association; Robert A. Nelson, assistant manager western department Atlas; Richard W. Wetzel, secretary Northern of New York, and Paul B. Sommers, president American.

Hotel Alarm Warns Guests of Fires; Uses Room Radios

NEW YORK — A device which should avert or at least minimize loss of life in hotel fires and indirectly reduce property loss as well, was recently exhibited here at the hotel exposition. Called the "American Hotel Alert System" and patented by American Communications Corp., the device utilizes the room radios. Pushing a button shuts off all room radios that may be operating and turns on the amplifying systems of those that are off. An alert siren then sounds in every room and guests are instructed by microphone what to do.

Not only should such a system save lives but by reducing panic and confusion among the guests it should enable the firemen to give more of the attention to fighting the fire and not have to devote so much of their time to dealing with terrified persons who frequently insist on doing the wrong thing. At the disastrous hotel fire in Dubuque, for example, it was said that the number of deaths and the amount of fire damage would have been far less if the firemen had not had to take so much time getting panic-stricken guests off the roof of the fireproof section, where they went instead of down the fire stairs.

Seek St. Louis Tax Repeal

ST. LOUIS—A bill calling for the repeal of the city's income tax ordinance has been drafted by the city counselor's office at the request of Alderman Jake Sellers, Republican, who says the ¼% tax on the earnings of individuals and net profits of corporations is "unworkable and not providing sufficient revenue."

In the meantime Circuit Judge Kirkwood had under advisement the suit of the Carter Carburetor Corp. attacking the validity of the income tax ordinance.

Ohio Auto Dealer Issue

COLUMBUS—The case of McGraw, an automobile dealer of Bellaire, O., and Motors of New York, G.M.A.C. subsidiary, against the superintendent of insurance came up for hearing before the common pleas court here this week and was taken under advisement, with the state being given permission to file a brief within a week.

The superintendent some months ago sought to modify a ruling of 1934 regarding the licensing of agents. Under the proposed change, licenses could be issued to former service men 18 years old. The present ruling makes the age limit 21. The plaintiffs in the case were interested in having the ruling changed so that automobile dealers might sell insurance. It attacked the amended rule on the broad ground, however, that the superintendent has no authority to make regulations such as the one which Superintendent Dressel sought to modify.

Johnson Ore. Special Agent

Melvin J. Johnson has been appointed Oregon special agent of New York Underwriters and has moved his office in Portland to 913 Corbett building.



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Established 1862

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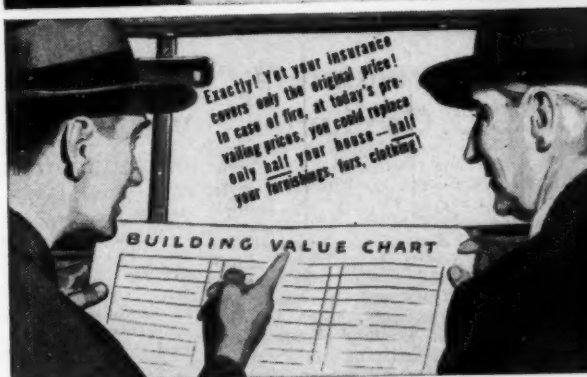


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Specialized Repair Procedure for Nash "600" Car Is Described to Claim Group

NEW YORK—Representatives of the Nash-Kelvinator Corp. in a lecture and slide-film presentation showed members of the Automobile Claims Assn. the correct repair procedure for the "unitized" body of the Nash "600" series.

The Nash "600" embodies a radically different type of construction, in that there is no frame in the usual sense. Instead, the body is so constructed that it

fulfills the function of both a body and frame in the conventional car.

While this results in lightness combined with great strength to resist the usual strains resulting from normal operation, it introduces certain complications should the car be involved in a crash bad enough to throw the body members out of line. The ordinary body can usually take considerable punishment without the frame being

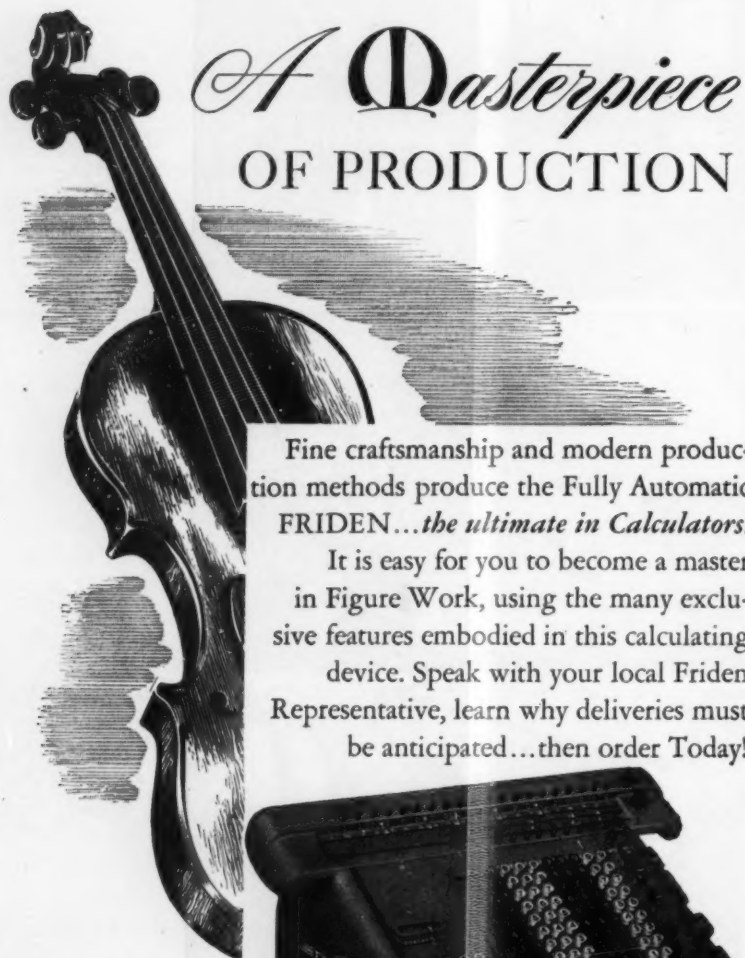
knocked out of line, in fact the body serves to protect the frame to a considerable extent. However, in the Nash "600" anything that tends to throw the body out of alignment may affect the alignment of vital working parts. For this reason it is necessary to know how to make repairs in a way that will bring everything back to its original alignment.

Weld on Another Section

For example, should one of the longitudinal members that roughly corresponds to the frame in a conventional car be bent so much as to be appreciably weakened even after being straightened, a section of another similar member can be welded to it, acting as a stiffener and making the part even stronger than it was before. These pieces are light enough so that they do not add appreciably to the car's weight.

Because of the car's unusual construction, it is frequently cheaper to replace a panel assembly by breaking the necessary welds, straightening the adjacent parts and welding a new panel in place. Sometimes it is better to cut off a panel at a point where there is no weld, make corresponding cuts on the replacement panel, and then weld the latter into place.

For example, a roof panel may be so badly dented that replacement is required. The roof panel starts at the hood, includes the windshield posts, and the rear quarter as well as the roof itself. If the windshield posts were damaged it might be less expensive to cut through at the top of the windshield posts and replace only the roof rather than replace the entire roof stamping, since the latter operation would require more work on interior trim and the windshield itself.



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Heber J. Grant & Company 20 1/2 South Main, Salt Lake City, Utah
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"WE'RE DENYING LIABILITY ON THE GROUND THAT OUR INSURED COULDN'T TELL WHICH WAY YOU WERE HEADED."

Five Clevelanders C.P.C.U. Graduates

At a meeting arranged by the Cleveland Board, C.P.C.U. diplomas were awarded to five by Dr. Harry J. Loman commerce school of the University of Pennsylvania, dean of the American Institute for Property & Liability Underwriters. Receiving the designations were H. W. Donovan, Ohio field supervisor for American-Associated, Columbus; M. L. Landis, counsel, and D. C. Remmy, assistant treasurer of Central Manufacturers Mutual; Benjamin G. Sager, general manager of Central Mutual agency, Cleveland; and Robert O. Young, North America manager at Cleveland.

Clayton G. Hale Presides

Clayton G. Hale of the Hale & Hale agency presided and traced the 25 year educational movement in Cleveland, which was originally sponsored by the Insurance Society, later merged with the board as its department of education. He pointed to the flourishing classes which are now studying N.A.I.A. courses. He introduced those who have contributed to the educational work including Theodore M. Gray, executive secretary of the Ohio Association of Insurance Agents; James F. Van Vechten, Akron, N.A.I.A. executive committeeman, and Clyde J. Crobaugh, C.P.C.U. instructor and Dean Dickerson, both of Cleveland College.

Dr. Loman outlined the history of the C.P.C.U. movement and said he was greatly encouraged by the healthy start of the group at Cleveland which now embraces 41 students. E. E. Evans,

Lenihan & Company, was chairman of the event.

Williams Minneapolis Chief of Underwriters Adjusting

H. B. Williams has been appointed Minneapolis manager of Underwriters Adjusting. He succeeds Fred King, who has been promoted to assistant general manager at Chicago headquarters. Mr. Williams' entire insurance career has been with the Underwriters Adjusting, covering a period of 20 years. For several years he was Duluth manager, then manager at South Bend and for the past six months has been a senior adjuster at Chicago.

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PPF Rate Increase Not Likely Now

Insistence by Underwriters on 80% to Value Is Getting Results

NEW YORK—In spite of a bad loss situation, there seems to be no disposition among companies writing the personal property floater to talk about a rate increase. Instead, companies believe the problem can be solved by maintaining a firm underwriting policy with respect to the securing of insurance to value.

The rate prescribes an underwriting policy that will produce 80% of insurance to value on items insured under the blanket portion of the contract with full insurance to value on specified items, and the companies have now generally toughened their attitude toward the producer and the business. They are insisting upon getting insurance to value or not taking on the risk.

Ups Premiums 50%

One large company that adopted a firm attitude some months ago has been able to increase the premium on its personal property floater business from 40 to 60%. This is tantamount to an increase in rate.

Another company has been successful in holding to a loss figure that is pretty good, and even improving it to some extent, by underwriting properly.

Apparently inland marine underwriters think a rate increase would be the wrong way to approach the problem. It certainly would not make it easier to get insurance to value, and if the rate increase and insistence upon insurance to value were undertaken at the same time, it would produce a generally bad reaction among producers and insured.

Making coinsurance a requirement in the policy is generally opposed by producers, and is not favored by many underwriters because it is hard to get a close estimate of values. Yet a few companies are reported to be attaching an 80% coinsurance endorsement to their contracts. If this were made a part of the policy, it would have one advantage over the underwriting practice as a means of getting the premium needed under the rate. The coinsurance requirement would be met, while the underwriting practice is likely to be applied with diminishing vigor when losses decline and competition increases.

Average Claim Size Jumps

The key to the loss situation is the jump in the average amount per claim by 50% between 1942 and 1945. This is made up largely by the increase in value. The average breaking point for the companies would be about 50% with some leeway up or down depending on the way in which the company got its business.

Another thing companies are doing is to underwrite the agencies pretty closely. That is, they are not placing the personal property floater in the hands of agents in whom they do not have the utmost confidence. They want the agent to keep in mind that the company needs some consideration when the policy is being written.

Form Manistee Board

MANISTEE, MICH.—A new local board affiliated with the Michigan Assn. of Insurance Agents has just been organized here. W. O. Hildebrand, Lansing, secretary-manager of the state association, attended.

George E. Macklam was chosen president; Dell Flarity, vice-president, and Charles Boyer of the Barnes & Barnes agency, secretary-treasurer. Mr. Boyer and Arthur Thompson were designated to draft a constitution.

Plan Third Purdue U. Arson School

Plans for a third arson investigation and detection course at Purdue University next spring will be discussed at a program committee meeting at the Union League Club in Chicago Dec. 6. The meeting will start at 10 a. m. and the members will be the guests of the Automobile Protective & Information Bureau at luncheon.

Prof. J. L. Lingo of the university's

Public Safety Institute will be in charge. The committee meeting follows the session of the fire marshals section of the National Fire Protection Assn., so a good attendance is expected.

Schlosser in Agency Work

Paul Schlosser, veteran special agent of Phoenix Assurance, has resigned to become a member of the local agency of D. F. Ferguson Co., Sacramento, Cal. He is most loyal gander of the San Francisco Blue Goose and president of the Special Agents Assn. of Northern California.

Sokol Aetna Fire General Agent

Charles D. Sokol has been appointed general agent in the western department at Chicago of Aetna Fire.

Mr. Sokol joined Aetna in 1929 at Chicago as assistant examiner, after graduating from University of Iowa. In 1941 he was made special agent at Cleveland where he has since been. He will assume his new duties in the western department about Jan. 1.

Let's Stop These



Analysis by the National Fire Protection Association of large-loss fires in 1945 and those already reported for 1946, indicates that in most cases *the fire had gained such headway when discovered that nothing much could be done to control the loss, despite valiant efforts by the fire department.*

These big losses, resulting from belated discovery and delayed alarms, can be most effectively prevented by *automatic* detection and reporting of fires in those vital first few minutes when usually the flames can be easily and quickly controlled.

A.D.T. provides this protection in unsprinklered properties through Aero Automatic Fire Detecting and Alarm Service and in sprinklered properties through Sprinkler Supervisory and Waterflow Alarm Service, which automatically detect the outbreak of fire and summon fire fighting forces immediately and accurately.

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Clement Flares at Dineen Attack

Superintendent Dineen's criticism of the October report of Risk Research Institute on the all-industry legislation as 11th hour obstructionism appears to challenge the right of American business to defend its heritage of free enterprise, W. W. Clement, executive secretary of the institute, declared in addressing the New England Controllers Assn. meeting at Hartford.

He said the institute report was a

criticism of the fundamental philosophies reflected in the bills, that no member of the institute was asked for its findings or proposals at any time, and that when the buyers finally were apprised of the bills they immediately indicated they could not accept the legislation.

Clayton G. Hale of Hale & Hale Co., Cleveland, addressed the business school of the University of Pennsylvania this week on "Some Problems of Brokers."

Albert A. Breitman has formed a partnership with Louis E. Sternberg in Newark to conduct a general insurance and real estate business.



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Disabled Are Learning to Drive Readily at N. Y. Safety Education Center

NEW YORK—During the summer a new responsibility was assumed by the veterans administration, the administering and allocating of over 14,000 specially-equipped cars to orthopedically disabled veterans. While some veterans had been given driver training at army and navy hospitals, a large percentage were discharged without such training.

In the past two years, the Center for Safety Education at New York University has been carrying on research on the disabled driver. The findings show that amputees and others orthopedically disabled as a result of accidents or poliomyelitis can learn to drive, and that following proper instruction in cars equipped to suit their disability, they become as safe drivers as normals, and safer.

At present, the Center is training 56 such drivers, mostly veterans who are amputees or paraplegics. Two days a week this training is given at the Veterans Hospital on Kingsbridge Road; the remainder of the week at the 79th street road instruction area in New York.

All Learn Rapidly

The veterans are learning readily. One reason is that they must get a license before they can apply for cars. Another is that they feel that ability to drive will enable them to get around and get to and from their jobs. All the disabled want to be independent, yet they have difficulty of crowded buses and subways, and dislike having to depend upon members of their families to get them around.

The New York state motor vehicle department has two cars in use in the training and testing of veterans. Halloran and St. Albans, veterans' hospitals, are also carrying on a training program, as is the veterans' facility in the Bronx. Over 1,000 orthopedically disabled in the New York area have passed the driver's license examination, chiefly as a result of the work done by the motor vehicle department.

In addition to training veterans, the Center is also including a small group of non-veterans, both men and women. Up to 20 hours of instruction are given behind the wheel, the length of time varying widely according to the type of disability and previous driving experience.

Dr. Herbert J. Stack, director of the

Center, reports that his organization will be able to train only 125 during the year. Some other program must be set up under the leadership of state veterans' affairs in other population centers in the state. The lame and other disabled drivers in past years have established a good safety record in the states; adequate training will be necessary if this new group of disabled veterans is to maintain this good record. In one state, New Jersey, 13 disabled drivers, using specially equipped cars, have covered over 600,000 miles in nine years, with only one reportable accident.

Robt. C. Kennedy Retires

Robert C. Kennedy, supervisor of the underwriting department of Factory Insurance Assn. is retiring after 44 years of service. He started as an office boy, ultimately advancing to supervisor. He has been located at the home office during the entire period.

An informal dinner was held for him and F.I.A. presented him a hand-embossed certificate expressing appreciation of his record.

Foulk Harrisburg President

HARRISBURG, PA.—William H. Foulk has been installed as president of the Harrisburg Assn. of Insurance Agents. Albert J. Gnazzo is vice-president; Harry J. Finnerfrock, secretary-treasurer.

Kansans Pay Higher Dues

Sixty percent of the membership of the Kansas Assn. of Insurance Agents has complied with the terms of the recent resolution setting the dues at \$1 for each \$1,000 of annual premiums with a minimum of \$10 and a maximum of \$500. President Webb Woodward reports. This resolution was adopted in anticipation of the appointment of an executive secretary. Alpha H. Kenna has now been appointed to that position.

Kersten to Sioux Falls

Arthur H. Kersten, assistant manager at Milwaukee for Retail Credit Co., has been transferred to Sioux Falls, S. D., as manager. He has been in Milwaukee 16 years.

Binding Power Must Be Contractually Specified

In *Londo vs. Integrity Mutual*, Wisconsin supreme court ruled that, even though the agent had promised immediate coverage, insurance would not take effect on the plaintiff's barn until receipt of the policy by the insurance company. The agent had told the farmer that the windstorm insurance on his barn in the process of construction would take effect at noon on the day of application. On the day before the application reached the company the barn blew down. The agent told the company secretary that the building had been damaged and that he promised immediate coverage. However, the secretary rejected the application and informed the farmer of the rejection by letter.

The Door county court had held that because the powers of the agent and the company were in dispute, the affidavits presented by the farmer's counsel showed that it was the practice of the company to date its policy on application. Integrity Mutual appealed its decision on the basis that even if the agent had the power to bind the company his acts were not effective unless they were contained in the application and nothing to that effect was so contained. Reversing the decision, the supreme court held for the company.

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suggestions that were thoroughly considered by the all-industry committee and rejected by that group as not constituting adequate regulation.

Commission Regulation Issue

For instance, the commission question was thoroughly deliberated by the all-industry group. The suggestion was advanced that an affirmative statement be incorporated in the law to the effect that the state had no right to fix commissions or any other expense elements. That question was put up to the National Assn. of Insurance Agents as being the organization in the all-industry committee most vitally affected on this score. N.A.I.A. rejected that suggestion as being more likely to lead to what is feared than if such an affirmative statement were used. It was agreed that in transmitting the bills to the various

states, there would be included in the memorandum a statement that the legislation is not intended to embrace regulation of commissions.

"You can take all the loose forms of regulation you want," Mr. Gruhn declared, "but unless there is adequate regulation, you don't have the regulation that you need." If a state takes the calculated risk that is involved in enacting minimum type of regulation, it will be inviting litigation that may result in the industry and states losing their security. An honest bill, adequate regulation and real control is what is indicated.

If those elements are not present, he predicted that a federal trade commission investigation of insurance may be in the offing. Even so, if the quarrels, charges and counter-charges that are being made persist, there may be such an investigation. He said that the consensus in the industry is that there is nothing that the states can do to oust the FTC in its investigatory powers.

Motorists Mutual Takes Appeal to U. S. High Court

WASHINGTON—Appealing from the Ohio supreme court, Motorists Mutual in the U. S. Supreme Court, in No. 670, versus Harry Hendershot, administrator of the estate of Anna L. Hendershot, deceased, claims due process was denied in a suit growing out of an automobile accident in which judgment was obtained against Clarence Ferkel, its insured.

The latter, after an accident in which he was driving his car in Ohio, became a resident of California. He did not receive notice of the suit in the Ohio court of common pleas, according to the appeal. However, judgment was rendered against him. Later suit was filed against the company and judgment was entered against it. The Ohio supreme court upheld the trial court, ruling Ohio law had been complied with when copy of summons was served upon the secretary of state and mail addressed to Ferkel, although returned by postal authorities.

Claims Judgment Invalid

The company contends judgment against itself could not be valid since it declares judgment against Ferkel was invalid. It is contended Ohio courts denied to the company the "right of defense arising from the violation of policy conditions respecting the failure to give notice of claim and to transmit to the insurance company all summons and process in suits commencing against the assured."

Opposing Supreme Court jurisdiction, appellee has filed a motion to dismiss the appeal or affirm the Ohio court's decision. It is charged that the company was "apparently" fully advised of Ferkel's whereabouts at all times. It is contended that there is no federal question involved; that the Ohio law does not contravene the Fourteenth amendment.

Opposing the motion to dismiss or affirm, Motorists Mutual says it only got seven days' notice of the trial suit, could not prepare and stood on its rights reserved in its policy. It is insisted a substantial federal question is presented.

Hickey Gives Warning

Mounting loss of life in preventable fires demands the attention of every individual, said Edward J. Hickey, head of the Connecticut state police and state fire marshal, who was the guest speaker Sunday on the radio program of the National Board.

"No nation, not even ours, can afford to be so wasteful. No nation is rich enough to squander its human and material wealth as we are doing today through sheer carelessness," he said.

Clarify Argentine Situation

WASHINGTON—Amending a recent announcement and correcting his statement regarding developments in the Argentine insurance situation, in view of a communication since received in his office, Jerome Sachs, chief insurance division, office of international trade, Department of Commerce, has supplied the following to THE NATIONAL UNDERWRITER:

"The situation with respect to the insurance decree of May, 1946 (decree law No. 15,345) has been confused. Said decree was issued by the executive branch of the government but has not been acted upon. Regulations to implement this decree have not been issued. Foreign insurance companies in Argentina are continuing to write insurance under conditions previously in effect. Many Argentine concerns are continuing to place their insurance with foreign insurance companies.

"On Sept. 27, 1946, a number of the chamber of deputies introduced a bill ('Project of Law') in that chamber. Up to the present time this bill has not been voted upon. The recent ordinary

session of the Argentine congress ended without acting on this bill. From a reading of its provisions it would seem that this September bill is intended to replace the earlier May decree. This new bill contains no provisions explicitly referring to marine insurance and as a matter of fact would seem to be more liberal from the point of view of foreign insurance companies. This bill has met with opposition on the part of some groups in Argentina which prefer the May decree. There is, therefore, no certainty that the September bill will be enacted into law.

No Change in Routine

"In summary, the May decree has not been put into operation and the September bill has not been voted upon by the Argentine congress. At the present time exporters and importers and insurance companies in Argentina are handling shipments as they had been doing prior to the issuance of the May decree and the introduction of the September bill."

Insurance Women of Toledo heard Neal Hummel, Toledo, superintendent of the Ohio Audit Bureau, and Frank R. Middaugh, superintendent of schedules of the Ohio Inspection Bureau, Columbus, discuss "Relations of the Local Agent with the Ohio Inspection Bureau."



The watchdog of public relations

The agent is the watchdog of insurance public relations. He is the direct representative of a great industry and can influence public reactions most effectively. A quick look at the papers or the magazines or a few minutes at the radio will show one thing—that far-seeing businesses are regularly fur-

nishing people with information about their services in an effort to gain public acclaim. Such bids for favor are more pronounced when the service offered is more than people would ordinarily expect. Fire and accident prevention programs provide logical contacts for insurance public relations.



The agent knows that insurance is a personal matter. Just the right amount plus just the right kind equals "protection."

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THE INSURANCE AGENT IS A GOOD MAN TO KNOW

Bracket Insurance With Commerce in Trade Pact

Decide Against Special Reference in International Trade Organization

WASHINGTON—The State Department is reported doubtful about the advisability of amending documents under consideration in connection with negotiation of a charter for the proposed international trade organization so as to mention insurance specifically in that portion of it outlining objectives of removing international trade barriers, etc.

The U. S. Chamber of Commerce insurance department had suggested to the department that in its program for freeing world trade from barriers, restrictions and discriminations, "insurance" be specifically included, as well as "commerce."

State Department officials, however, including Woodbury Willoughby, who has charge of insurance matters in which the department has an interest, take the position that insurance is included under the term "commerce." They have always felt so, it is said, and hence take the position that the international trade organization documents submitted to the London conference now engaged in negotiation of the proposed charter are meant to include insurance as a phase or segment of commerce.

Might Have Reverse Effect

They have indicated to insurance interests their fear that if insurance is now proposed to be mentioned in the above connection, the result might be to raise a question about whether insurance had been meant to be included before in the definition of commerce. They, therefore, stand on their old interpretation.

The result, according to the depart-

ment view, is that whatever is ultimately written into the charter of the international trade organization looking towards greater freedom of world trade and commerce from national restrictions, discriminations and the like, will apply to insurance, having specific foreign governmental "reservations," if any.

U. S. insurance interests have been confronted in many countries by laws, rules, regulations, decrees and governmental policies which operate to exclude from, restrict or discriminate against American companies desirous of doing business in such countries. This has been found particularly true in Latin America. In British countries U. S. marine insurance interests are said to have found it difficult if not impossible to get business. Various foreign governments require specified insurance coverage to be placed with companies owned or controlled by their own nationals. Certain foreign government exchange controls, banking, reinsurance or other requirements operate against U. S. insurance interests engaged in or seeking business abroad.

Accord "National" Treatment

The U. S. proposals for the charter of the international trade organization contemplate that each country subscribing thereto shall agree to give "national" treatment to commercial, including insurance, companies of other countries; that is, treatment such as is accorded by the home country to its own nationals, including corporations.

If this program is adopted by the London conference and the resulting charter is ratified by participating governments, in case Argentina, for example, wished to join the organization, she would have to eliminate her discriminations against



"WE USED TO WORRY BEFORE WE GOT OUR COMPREHENSIVE PERSONAL LIABILITY POLICY WITH MEDICAL PAYMENTS COVERAGE."

U. S. insurance companies, it is said.

Besides the international trade organization, the State Department's program contemplates negotiation of treaties of commerce and friendship with certain foreign governments, under which it is reported the same principle would apply of including insurance in commerce.

It appears, however, that U. S. insurance interests' suggestion that something be done about insurance in connection with new reciprocal trade agreements to be negotiated with 18 foreign governments is not to be carried out. As outlined in a State Department announcement of this latter program, it contemplates reduction or elimination of international trade restrictions only with reference to commodities, tariff duties, customs and import excise taxes thereon, and quotas and other restrictions and discriminations as to imports of goods.

Willoughby Explains Stand

The position of the State Department with respect to proposals to do something for the insurance industry in connection with negotiations with foreign governments was outlined to THE NATIONAL UNDERWRITER by Mr. Willoughby.

So far as the charter proposed for the international trade organization is concerned, the department feels it should be concerned with details primarily, if not exclusively, with the treatment of goods, in connection with such matters as tariffs, customs duties, taxation, quotas, etc.

Among several reasons for this position is included that the problem of negotiating the charter for the world organization is by far the most difficult that has ever been undertaken by any nation or a number of nations. This view applies also to negotiation of reciprocal trade agreements with 18 nations, now undertaken by the State Department. The two matters present a united front in one very big negotiating problem.

Doubt Concessions Obtainable

Secondly, officials have considerable doubt that as much in the way of concessions could be gotten for the insurance industry, or any other specific business abroad, in a multilateral convention such as the world trade charter, as could be gotten in bilateral negotiations with individual foreign governments.

This is considered so because in multilateral negotiations it is necessary to arrive at something acceptable to all countries concerned. The result is the "lowest common denominator," which would be what the governments con-

cerned would be willing to guarantee regarding treatment of the insurance or any other industry.

Under the circumstances, it is not believed at the department that possibilities would be promising of securing special benefits for the insurance industry in the ITO charter.

By contrast, the possibilities are considered better for obtaining such benefits through bilateral negotiations with various foreign governments. What one of them might not be willing to grant to insurance interests of all other countries under the charter, it might be willing to concede to America in an individual treaty.

The department besides negotiating a world trade charter and 18 reciprocal trade agreements is negotiating treaties of friendship, commerce and navigation with several governments. These deal with treatment of persons, including corporations, operating abroad, as distinguished from the charter and reciprocal agreements, which deal with goods.

May Be Applicable to Insurance

Provisions of treaties of friendship, commerce and navigation may be directly applicable to the business of insurance and to concerns engaged in that business. Insurance would come under general provisions of such treaties with respect to the right to organize corporations abroad, to participate in corporations and their operations; the right of an American corporation, for instance, to operate abroad; guarantee of equal treatment in taxation, etc.

Also, the department is backing a pro-

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vision of the draft world trade charter which would authorize the proposed ITO, when set up, to study and make recommendations regarding conditions and treatment of business and persons in the various countries belonging to the organization. The way is open under this provision for the organization to explore the possibilities of multilateral action which would relate to the treatment of persons and corporations, including those in the insurance line.

The proposed charter is subject of negotiation at a conference in London among representatives of 18 nations, including the principal trading nations, except Russia, with a view to agreement upon an agenda and other features leading up to the holding of a world trade conference in 1947.

Name Mutual Committees

New committees are announced for the National Assn. of Mutual Insurance Agents.

The executive committee consists of Sam Chandler, Macon, Ga., president; Jos. Magnus, Chicago; J. Clyde McGee, Jackson, Miss.; H. Harold Howatt, Springfield, Mass.; Benjamin C. Sager, Cleveland; Hugh H. Murray, Jr., Raleigh; John H. Kroll, Washington; J. Wayne Barker, Nashville; Chester C. Jennings, Baltimore; Corey G. Hunter, Moravia, N. Y.; J. M. Zachary, Greenville, S. C.; Chas. M. Boteler, Washington.

Membership committee chairman is Mr. Sager; agency qualification laws, George D. Ratcliff, Jackson, Miss.; agency management, Floyd H. Craft, Greensboro; by-laws, James P. Minor, Charlottesville, Va.; company relations advisory, Mr. Boteler; educational, Hugh H. Murray, Jr., Raleigh; resolutions, George F. Jones, Charlotte, N. C.; finance, Chester C. Jennings, Baltimore; aviation insurance, Charles H. Litaker, Charlotte, N. C.; fire and accident prevention, Jos. E. Magnus, Chicago; public relations, Bryson F. Thompson, New Haven.

Arrangements are being made for a mid-year 1947 meeting which will be held the last week in April or the first week in May.

Cal. Mutual Agents Organize

WASHINGTON—Announcing organization of the California Assn. of Independent Mutual Agents, with a nucleus of 40 members, Philip L. Baldwin, executive secretary National Assn. of Mutual Insurance Agents, plans to attend its meeting Dec. 6 at Los Angeles.

President of the California unit is Thomas F. Bailey, Los Angeles; vice-president, Val R. Moore, Long Beach, and secretary, Theodore L. Nupen, North Hollywood. Directors are: A. H. Klopfenstein, Pomona; Lyle D. Inman, Redlands; H. M. Bailey, Ventura, and L. W. Scellars, Los Angeles.

National Club Membership Up

SAN FRANCISCO—The National Automobile Club, operated by member companies of the National Automobile Underwriters Assn., reports that its membership now includes 110,000 motorists of California—up 72% since November, 1945.

H. E. Manners, general manager, reports that its services and general public relations functions are being greatly expanded under the direction of Bert Stewart, Jr., public relations director.

Ira Jones, manager of the A. & H. branch office of Continental Casualty in St. Louis, spoke at the opening fall luncheon meeting of the Kansas City Assn. of Accident & Health Underwriters.

Seward G. Folsom, Cook Tower, Lima, O., has taken his son, T. K. Folsom into partnership.

Miss Peggy Lutes, chairman of the educational committee of the San Francisco Insurance Women's League the past year, has been elected president. Patricia Chiam is vice-president; Betty Wallace, secretary; and Adele Thostlethwaite, treasurer. The league is holding its Christmas luncheon Dec. 14.

Give Program for Farm Fire Prevention Rally Dec. 4

WASHINGTON—The program for the meeting of the agricultural committee National Fire Waste Council, at Blackstone Hotel, Chicago, Dec. 4, calls for presentation of committee reports, delivery of several addresses, and submission of a work program for the agricultural committee for 1947 by H. E. Hilton, assistant manager U. S. Chamber of Commerce insurance department.

The latter program will be divided into three parts, namely, methods of organizing and financing rural fire fighting forces, proposal to compile a manual on rural fire prevention and promotion through chambers of commerce, and promotional work in 1947.

Addresses are scheduled, as follows: Wallace Rodgers, Western Underwriters Assn., first chairman of the committee, on the origin and history of the committee; Sam Lysle, U. S. Department of Agriculture, on that department's work in fire prevention; Maynard Coe, farm safety and fire, on the National Safety Council's safety campaign; John H. Craig, Illinois fire marshal's view on farm fire protection.

Joseph Cryan, America Fore, agricultural committee chairman, will extend greetings, followed by presentation of committee members and guests, and the minutes of the last meeting in 1944 in Chicago.

Committee reports are scheduled to be submitted by the chairmen as follows: Agricultural engineers, Prof. Henry Giese; Red Cross, Richard Thrust; fire prevention week, T. A. Fleming; 4-H Clubs, R. A. Turner; mutual insurance companies, Harry P. Cooper, Jr., rural scouts, E. K. Bakken; special agents, Richard E. Vernor, Western Actuarial Bureau, stock insurance companies, B. R. Walinder, America Fore.

Policy of Business Firms When Transferring Employees

NEW YORK—A number of insurance companies, facing the problem of transferring men who can't find housing, have had some question in their minds about the policy to follow. The circumstances in each individual case have pretty much governed.

However, there may be some enlightenment in what other businesses and industrial firms are doing, outside the insurance business. Before housing became so scarce, most companies allowed the transferred man two weeks in which to arrange housing after he arrived in his new locality. During that two weeks, the company paid his hotel bill. This of course has gone out the window. The average now is six months or longer during which the company pays his hotel bill.

Among companies with plants over the country, which to some extent resembles the establishment of the larger insurance companies, the practice has been adopted of helping locate housing for those persons transferred. One company had a man and two assistants devoting all their time to this, and they have been very successful. They put up down-payment money on an apartment or even on a home for purchase. Companies permit employees company time to look. They try to keep the family of the man at home until he is located. The companies have been asked to absorb loss represented by inflated real estate prices, but the answer is no.

John F. O'Laughlin, an executive vice-president of Eagle, Globe and Royal Indemnity, was guest of honor at a luncheon in celebration of his 25th anniversary with the Royal-Liverpool organization. H. C. Conick, president, presided as toastmaster and presented Mr. O'Laughlin a gold wrist watch, appropriately inscribed, as a token of esteem and affection.

OK MARINE COVER FOR KY. WHISKY

(CONTINUED FROM PAGE 1)

laws pertaining to fire insurance shall apply.

Companies in their annual statements and classification report, shall include all premiums and losses as though written in the fire department. Companies shall include all such premiums in their reports to the Kentucky Inspection Bureau and pay the regular assessment thereon.

This permission shall continue in force only for the period of the emergency, but not exceeding, in any event, 12 months. Whenever and wherever coverage can be obtained in the fire department, the insurance shall be so written.

A couple of weeks previous to this ruling the department had held that companies could not write under the inland marine form, but it was represented to the department that as a result of the increase in whisky values there was more than \$20 million of whisky value in the state that was not protected by insurance, and something had to be done to aid owners of whisky, as well as agents who were unable to

give their regular customers the protection they demanded.

Some agents have been opposed to writing whisky in inland marine departments, contending that it means reduction in commission rate, and furthermore if whisky can be written under inland marine, it may spread to tobacco and some other large lines eventually. They feel that it is establishing a bad precedent that may prove troublesome in the future.

However, large handlers of whisky lines were in a difficult position to provide owners with coverage, and without coverage, holders of whisky would be in a difficult position to obtain bank loans.

James P. Donovan, general counsel National Bureau of Casualty & Surety Underwriters, who in 1942 and 1943 was general counsel of strategic services, and later a member of the staff of Justice Robert A. Jackson at Nuernberg, spoke at a luncheon meeting of the Federal Bar Assn. in New York last week.



MAIN ACADEMY BUILDING

Courtesy of Phillips Exeter, Exeter, N. H.

Phillips Exeter Academy was opened May 1, 1783, in Exeter, N. H., the second oldest town in the State. It was created as a middle class substitute for a university, rather than as a preparatory school. Its student body attracts young men not only from every State in the Union, but from many European and South American countries. Today, the deepest forces in Exeter, whose graduates have succeeded in every field of endeavor, are simplicity, honesty, and respect for individual rights. Its aim was aptly stated by Dr. Perry when he said, "We wish to be, though an ancient school, yet always a modern school, fitting boys for life in a world that is forever old and forever new."

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MANCHESTER, NEW HAMPSHIRE



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REST Assured

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"DICK" CORROON DIES

(CONTINUED FROM PAGE 3)

committee and the laws committee. Mr. Corroon devoted much of his time to the activities of the Catholic Church. He was a Knight of Malta and was chairman of the insurance division of the Cardinal's Committee of the Laity for many years. He was a long-time member of the Catholic Club, Friendly Sons of St. Patrick, and the American Irish Historical Society.

Three of Mr. Corroon's four sons are with the Corroon & Reynolds organization. Richard A. Corroon, Jr., has been assisting his father in the corporate and financial end of the business. Paul A. Corroon is in the production end of R. A. Corroon & Co., and John A. Corroon, who recently graduated from college following his discharge from the army, is in the agency underwriting department. Another son, James A. Corroon, who died several years ago, was in the agency department of Corroon & Reynolds.

F. A. Christensen, president of the America Fore group and of the National Board; W. E. Mallalieu, general manager National Board; H. C. Conick, U. S. manager Royal-Liverpool; George H. Duxbury, U. S. manager North British & Mercantile, and John R. Cooney, head of the Firemen's group, represented the National Board at Mr. Corroon's funeral. B. M. Culver, chairman America Fore; Harold V. Smith, president of the Home group; Mr. Conick, Mr. Cooney, and F. D. Layton, president of National Fire, will prepare resolutions for the board on Mr. Corroon's death.

CORDIAL AND RADIANT NATURE DREW MEN TO HIM

By C. M. CARTWRIGHT

I had never met Mr. Corroon. He was in my mind a forceful personality, a man who was achieving much, had great financial ability and had the capacity of creating a great producing organization. His name, of course, was well known to us all as one of the great leaders in insurance. We may have thought of him as somewhat of a confident and bold operator, but he had secured control of excellent companies and had brought into his fold insurance men of distinction who were regarded as first class underwriters and agency men.

Therefore, at that time, Mr. Corroon stood out in my imagination as a dynamic character who was creating a name for himself in the promotion end of the business.

It so happened that I had just recovered from an illness and my physician had suggested that I get away for three weeks or so, and forget all about business. Hence, Mrs. Cartwright and I went to New York, engaged quarters on the "Transylvania" for an Atlantic cruise, starting from New York, going to Montreal and from Montreal down the St. Lawrence River, and the Atlantic ocean to Bermuda.

Mrs. Cartwright had expressed a feeling of satisfaction that we were away from insurance people and would not meet any on this trip. When the printed list of passengers was distributed that afternoon, I noticed "Mr. and Mrs. R. A. Corroon's" name on the list. The temptation was too great. I sent my card to Mr. Corroon's state room and shortly after I got a message asking if Mrs. Cartwright and I could join him and Mrs. Corroon and Vice-president J. A. Campbell and his wife. We met an hour previous to dinner and had a friendly conference.

It was there, that I first saw the real "Dick" Corroon that I knew afterward. He told me at the very beginning of the visit that so far as he was concerned, he was "Dick Corroon" to me. I there saw the power behind the throne, the substance back of the personality.

Naturally I could not overlook that indefinable something that made him stand out in front. There was some-

thing more than business acumen, the capacity to produce and to organize. There was that characteristic so well defined in his nature that drew men closely to him. It did not take long for Mr. Corroon and me to get acquainted. During the entire cruise I was fascinated by his conversation and by that delightful and cordial nature that was so natural. Ever afterward, I had a new vision of "Dick" Corroon.

To me he became a personal friend and I was always gratified to be able to do something for him if it were in my capability. In other words, I knew "Dick" Corroon off the beaten path. He was more or less of a play boy on that trip.

He set aside the stock market, a number of plans that he had in mind, and he eliminated the problems that daily occupied his attention. He soon became known throughout the boat. His was a personality that beguiled and greatly interested people. It drew them to him. He became acquainted with the entertainers on board and a number of passengers that appealed to him. He showed that here was a man of very great fondness for other people.

Great Host

When we reached Bermuda, he had a suite of rooms at one of the hotels on the shore and was host at one of the most engaging dinners that I ever have attended. He was a great host, an entertainer deluxe. He did all this without any pretense or without any desire to add to his own prestige. He simply found great satisfaction in being able to give people pleasure as he went along.

After that cruise, I came in contact with Mr. Corroon from time to time, as a friend and as a head of a successful insurance office. So far as I am concerned, I shall treasure him in my memory as a great friend and a wonderful personality. He is one of those men that one will always remember. He had something in his personality which he gave to others and which they enshrine in their hearts.

Give Hint as to Purpose of Senate Inquiry

WASHINGTON—To insurance industry members who have been speculating about the how, what and why of the Senate judiciary committee's survey of developments since enactment of public law 15, the following can be reported concerning the position and ideas of one member of the judiciary committee's insurance subcommittee.

The committee is interested in finding out how insurance is reacting to public law 15. The industry advised the committee before enactment of that measure that time was required for the industry to get its house in order and to meet the impact of the S.E.U.A. decision. In return, the committee and Congress gave the industry a limited moratorium from the anti-trust laws.

Has Two Reasons

Now the committee—or at least one member of it—wants information on developments for two reasons particularly. First, in order to be able to discuss intelligently with the industry the subject of state regulation, in the event that the industry and commissioners should seek an extension of the moratorium. Committeemen want to be in position to say, in such event, either that the industry had done a good job in attempting to comply with the law, or that it had not done as much as it could have done.

Secondly, committeemen want the facts so that if legislation is proposed in Congress dealing with insurance matters, including possible provision for federal regulation, the committee will be able to base recommendations concerning such legislation upon facts being gathered in the survey.

It is learned that the all-industry committee has even supplied the Senate committee with copies of the minutes of its meetings, as well as copies of model bills, proposals, state laws and regulations, resolutions, and other documentary material.



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NEWS OF FIELD MEN

H. A. Elkin to Camden in Illinois

Herbert A. Elkin has been appointed special agent for Camden Fire as assistant to State Agent C. N. Ingalls of Rockford, Ill.

Mr. Elkin's province will be southern Illinois and St. Louis and later on eastern Missouri.

Mr. Elkin was born in Springfield, Ill. In recent years he has been special agent of Century in Illinois. For 11 years prior to that he was with Home, earlier he was in the local agency business, and during the first war was in government service.

Mr. Elkin's office will be in the Illinois National bank building, Springfield.

Mosier Returns to Indiana Field for Crum & Forster

Crum & Forster has appointed J. T. Mosier as special agent in Indiana with headquarters at 25 Monument Circle, Indianapolis. He attended Indiana University and became attached to the Crum & Forster service office at Indianapolis in 1939. He was appointed Indiana special agent in 1940, joined the army as sergeant in the air forces in 1941 and served for more than four years.

Upon his discharge he was enrolled in the refresher training program at the Crum & Forster western department. He pursued a course of study and served in various underwriting departments.

Cox, Young Named Deputy Most Loyal Grand Ganders

ST. LOUIS—George E. Edmondson, most loyal grand gander of the Blue Goose, who was the guest of honor and principal speaker at a dinner-dance of the St. Louis pond, announced that W. Ayton Cox, of Geo. D. Capen & Co., wielder of the St. Louis pond, has been appointed deputy most loyal grand gander for Iowa and Alex B. Young, Hartford Fire, Kansas City, for eastern Missouri.

Both Messrs. Cox and Young were in attendance. Their selection is in conformity with the decision of the grand nest to revive the former policy of selecting deputy most loyal grand ganders from other territories than those in which they serve.

Traver Treats Public Relations for Field Men

LOS ANGELES—George G. Traver, National Board, gave the Fire Underwriters Assn. of Southern California an outline of the board's public relations plan. He declared that the agent is the fire insurance business and that through the American agency system he offers the company relations with the public. He held that education of the public insurance-wise must be on the community basis if any change is to be made in public attitude. He told the field men they hold the key to the success of the program.

Gilson in Ind. Agency

D. B. Gilson, who has been special agent of Continental and American Eagle in Indiana, has bought an interest in the Hicks agency in Fort Wayne. He is especially familiar with farm business as he was at one time with the Cook Bros. farm general agency of Continental at Evansville, Ind.

McCarthy to Norwich Union

Norwich Union has named Clyde F. McCarthy special agent for eastern Massachusetts exclusive of Boston.

The territory will continue under the

general supervision of State Agent Goodwin Clyne, but will be serviced by Mr. McCarthy. Mr. McCarthy has had many years' experience in New England rating organizations.

N. J. Field Club Luncheon

The New Jersey Field Club will hold a luncheon meeting in Newark Nov. 25 when Harry Rollinson of the O'Gorman & Young agency, discharged from the navy, will discuss fire prevention and protection as practiced by the navy. Nine new members will be admitted.

Highlights of his experiences as a member of the board of supervisors of San Francisco for 15 years, some of them humorous and others of serious nature, were told by Arthur M. Brown, Jr., of Edward Brown & Sons, to the San Francisco Blue Goose. His father, Arthur M. Brown, presented him to his fellow members.

State Agents Carl E. Bailey and Earl F. Woods of Crum & Forster group have opened new Wichita offices at 304 Union National Bank building. State Agent Howard Searle continues his office in the New England building, Topeka.

NEW YORK

N. Y. BOARD OCTOBER LOSSES UP

Incurred losses assigned to the New York board's committee on losses and adjustments in October numbered 180, as against 466 for October, 1945, while the aggregate amount was \$654,215, as against \$599,642. For the first 10 months the number was 2,219 as against 2,263 while the amount was \$9,377,528 as against \$8,195,960.

Republic of Dallas has withdrawn as a signatory of the agreement of the New York Fire Insurance Exchange.

CHICAGO

MAY HOLD MEETING IN VERMONT

The Western Underwriters Assn. may decide to return to the Equinox House, Manchester, Vt., for its next annual meeting. It had been hoped that the Greenbrier hotel, White Sulphur Springs, W. Va., would be able to get back into the convention routine by the middle of next year, but it does not seem possible. Therefore, a number of the eastern officials have suggested Manchester, Vt.

25-YEAR CLUB ELECTS OFFICERS

Millers National and Illinois Fire companies' 25-Year Club, the "Mil-N-Ois Vets," held its annual meeting this month following a luncheon at the Union League Club, Chicago. There were 25 in attendance, and all officers were re-elected. They are: Marvin Riechers, president; Harold P. Biehr, vice-president; Rose C. Blevins, secretary; Wm. C. Heap, treasurer.

H. T. Moran, Oklahoma City, secretary of the Oklahoma Assn. of Insurance Agents, spent several days last week in Chicago.

A. & H. Club Christmas Party

NEW YORK—The Accident & Health Club of New York will hold its annual Christmas party Dec. 10 at the Henry Hudson hotel. W. F. Casey of Accident & Casualty, is chairman. There will be a stage show as the main attraction.

King & Ramsay, Detroit, announce the appointment of Walter B. Johnson as chief underwriter. The agency is general agent for Michigan for Western Fire and Western Casualty & Surety. Mr. Johnson had several years' experience before serving in the army.

Hobbs Tries to Collect Tax on Military Post Business

Efforts to collect the Kansas 2% premium tax on insurance written on Kansas military reservations during the war by out-of-state companies have been launched by Commissioner Hobbs, who retires from office in January. Backed by an opinion of the state attorney general that although Kansas had ceded land to the federal government for military installations, it had retained the right to tax railroads, bridge companies and corporations, Mr. Hobbs insists that insurance premium taxes be paid. Life companies have refused to pay the tax on the basis that military reservations are government property and not subject to state jurisdiction. Further effort is to be made to collect from those companies, it is reported. Some fire companies, it is understood, have already paid the tax.

Turkey Loss Ratio 20%

ST. PAUL—A 20% loss ratio on 4,550,000 birds is the 1946 experience of Farm Owners Mutual, largest turkey-writing company in this section. The season is now practically over and as a result of the favorable experience President W. J. McGladrey said there would be no change in rates for next

year. There will, however, be some re-zoning of territory involving half a dozen far western states, he said.

The proposal put up to the Farm Owners Mutual several months ago to write an all-risk turkey policy has been laid on the table for further study.

Jerry P. Donovan Is New Nevada Commissioner

The new state controller and ex-officio insurance commissioner of Nevada is Jerry P. Donovan. He defeated Henry C. Schmidt, the incumbent in the primaries.

Cleveland Air Crash

Two-engined transports like that of United Airlines that crashed near the Cleveland airport recently now cost somewhat more than \$125,000 to replace. Judging from pictures of the wreck, the plane will be a total loss. Both the physical damage and the liability is insured in U. S. Aviation Underwriters. Aside from the two pilots, who were killed, only two or three of the passengers were reported "seriously" injured.

The plane's landing gear, which was down for a landing which the pilot did not make, caught on high tension wires and the aircraft was broken in two.



"Monday Morning QUARTERBACK"

Every day some assured comes to the staggering realization that he has lost something besides yardage when his coinsurance clause responsibility is translated into dollars and cents. No amount of "Monday Morning Quarterbacking", MR. AGENT, will make your assured understand your failure to drive home the all-important fact that building costs are rising with ever increasing strides, and what may have been adequate insurance a short while ago is inadequate insurance today. If you wish the final score to be in your favor then it is up to you to pass the story of *Increased Building Costs* along to every one of your assureds.

The Camden Fire Insurance Association can help you avoid the anguish of "Monday Morning Quarterback" sessions. Just write for a supply of our well prepared *Increased Building Costs* advertising pieces and then place the ball squarely in the arms of the assured.

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WE WANT A MAN!!

Now employed by some Insurance Company or Rating bureau—28 to 35 years of age—preferably but not necessarily with an insurance engineering education—and who wants to get into the production end of the business.

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WANTED YOUNG MAN ASSISTANT IN LOSS DEPT.

By western department of stock fire insurance company located in Chicago. Position has future possibilities. Give full particulars as to age and experience. Replies confidential. Address J-9, The National Underwriter, 175 W. Jackson Blvd., Chicago 4, Illinois.

WANTED

By New England company Special Agent for Philadelphia and suburban territory, including southern New Jersey. State age, experience and qualifications. Replies confidential. Address J-33, The National Underwriter, 175 W. Jackson Blvd., Chicago 4, Illinois.

SPECIAL AGENT AVAILABLE

Young married man, fire insurance underwriting, special agency, automobile, casualty and claim adjusting experience, seeking connection as special agent. Territory optional. Opportunity more important than salary. Address J-36, c/o National Underwriter, 175 W. Jackson Blvd., Chicago 4, Illinois.

WANTED SPECIAL AGENT

By an old established stock company for the State of Illinois. Reply giving full particulars as to age, experience, salary, etc. Address J-38, The National Underwriter, 175 W. Jackson Blvd., Chicago 4, Illinois.

WANTED

Middle aged man, preferably with Southern Field and Inland Marine experience as underwriter in large Florida General Agency. Give outline of past experience and employers, age, and salary expected. Address J-39, The National Underwriter, 175 W. Jackson Blvd., Chicago 4, Illinois.

MANAGER AVAILABLE

For life department of general insurance office. 18 years of successful underwriting. Home office trained. Licensed broker. Understands general lines. Address J-42, The National Underwriter, 175 W. Jackson Blvd., Chicago 4, Ill.

WANTED

Field man for Illinois by well represented old line fire company, engineering experience preferred. Good opportunity for right man. Salary based on ability and experience. Give complete information when applying. Replies held in strict confidence. Address J-43, The National Underwriter, 175 W. Jackson Blvd., Chicago 4, Illinois.

COUNSEL NOT PIGEONHOLED

Shows How FCIC Has Acted on Industry Suggestions

By H. C. HALLAM

WASHINGTON—J. B. Daniels considers that federal crop insurance corporation, of which he is acting manager, has gone about as far as it could, under existing circumstances, in adopting or carrying out recommendations and suggestions of two industry committees which conferred with FCIC and Department of Agriculture officials earlier this year, with respect to improving FCIC methods, program, etc.

Of the two committees, one was headed by W. S. Vanderbilt, secretary Hartford Fire, and represented the companies; the other by Guy Warfield, Baltimore, and represented National Assn. of Insurance Agents.

Daniels pointed to two specific recommendations of the Vanderbilt committee, which he indicated had been adopted in part.

The first was that FCIC should perfect its present program before taking on any new ones. Daniels pointed out that there will be no new crop insurance programs for 1947.

Put Experience Into Rates

The second recommendation of the companies' committee he mentioned was that FCIC put its experience into its rates.

"That was done for the 1947 cotton program," said Daniels, "and resulted in pretty heavy increases in rates for that program."

Otherwise, recommendations of the Vanderbilt and Warfield committees, Mr. Daniels said, "run along pretty well together." Most of his comment which follows relates to Warfield committee recommendations and what FCIC has done about them, with the approval of Secretary of Agriculture Anderson, himself an insurance agent of long experience, and other top departmental officials, Daniels made clear.

"The impression may have gotten around that these two insurance committee reports have been pigeonholed, with little attention paid to them," he declared. "However, such has not been the case. Every responsible official and employee of FCIC has read the reports and given serious consideration to the recommendations they contain."

Daniels took up 11 specific recommendations of the Warfield committee, and told what has been done about them. The first was to divorce FCIC completely from the agricultural adjustment administration and set the former up as a completely independent unit.

On this point, Daniels stated FCIC is short \$2 million of the funds requested of the budget bureau and Congress, and that, therefore, it is "not possible to set up a separate organization, even though it might be particularly desirable."

However, an agreement has been reached with AAA to classify the counties in which it operates and those where FCIC insurance is being taken care of into three groups: satisfactory, only fair, and those where the triple A county committees are uninterested in the crop insurance program. In such counties, under the agreement, Daniels said, either triple A or FCIC at the state level, can go in and set up a separate organization for handling the crop coverage job.

Referring to N.A.I.A.'s second recommendation, that the FCIC contract be simplified, Mr. Daniels said:

"We have developed only one program (cotton, 1947) since the report was submitted. We have simplified that contract. We have cut out 50 and 75 per centages insurance. We don't have appraisals. Coverage is expressed in definite pounds of cotton at each stage of production."

Point 5 of the N.A.I.A. recommendations is closely related to point 2, Mr. Daniels said, the former calling for reduction of the contract to dollars in principal sums, dollars in rates, and in premiums.

Definite Pounds of Cotton

"Under the present act," said Daniels, "We have to insure in the commodity. We can not insure crops in dollars and cents. We think, however, going to definite pounds of cotton is a step in the direction recommended."

"In the 1947 cotton program it was decided to use one price to determine the value of the premium and for the indemnity. That price will be 90% of the average price of cotton for July, 1947. We will know that price by the first week in August. We will then be on a dollars and cents basis, in premiums and indemnities."

Making Statements Warranties

The third Warfield recommendation was to revise the FCIC application so that statements therein become warranties. Daniels pointed out there is a new clause in the application blank for cotton coverage under which the insured undertake to follow good farming practices in connection with his crop, etc. These constitute such warranties, he said.

Of the recommendation that the FCIC operations be organized along lines found successful in commercial insurance, Mr. Daniels said there were 114,000 cotton contracts in 1946, on a continuous contract basis, and that radical changes were made in the 1947 cotton program. He stated that FCIC is having each of the 114,000 contacted personally for the purpose of explaining new provisions of the 1947 program to them, so that "there will be a better understanding." This, Daniels thinks, is in line with the committee suggestion.

(CONTINUED ON PAGE 32)

Adjustment Problems of U. & O. Are Discussed by Midwest Buyers Group

Ben M. Butler, Western Adjustment, told members of the Mid-West Buyers Assn. at Chicago this week that experience of last year's production cannot be used as a guide in determining values. The average U. & O. loss today is 50% greater than during the war because of price controls, strikes and government expenditures. It takes about three times as long to replace today as it did last year, he said, yet only about 50% of companies needing U. & O. carry it.

Too many insurance buyers still place coverage on the theory of "it can't happen to me," and if their broker or agent calls attention to an increase in values many will wait until the expiration date before correcting the coverage.

Many insured inquire, Mr. Butler declared, why they are required to insure profits and expense when the insuring clause covers only such expenses as must necessarily continue. That is because in some losses some fixed expenses would not continue; in some all fixed would continue; in some losses companies pay the total net profits and in others only partial net profits.

The liability assumed by the business interruption form is limited to the time required with exercise of due diligence and dispatch to rebuild, restore, or replace, he said. Due diligence and dispatch is what a prudent man would undertake to rehabilitate his business if he had no insurance.

There has been much discussion about expediting expense to reduce loss, he re-

marked. Such expenses incurred to reduce loss under the policy, not exceeding the amount by which the loss covered is thereby reduced is covered. This discussion has come about because extra expense is not subject to the application of co-insurance, he commented.

The simplest case of expediting expense is paying express charges, instead of freight, long distance telephone calls, or expense to secure items of machinery promptly in order to resume operations. The form does not cover cost of fighting the fire, does not cover bonuses or extra payment for material unless such payment actually reduces the loss.

Charlton Is Reinforcement

Thomas Charlton accompanied Mr. Butler and participated in the question period after the talk. President M. G. Erickson, Quaker Oats, presided.

Most of the questions were of the "what would you do if?" nature, and a number of technical individual problems were brought up.

Mr. Erickson asked how many of the buyers have U. & O., and it was found out that approximately 66% carry it; 16% above average.

From the discussion it was indicated that many companies do not carry U. & O. because of fear of excessive quibbling in a settlement. Too many records, questions and estimates are involved to make it worth while, it was declared.

Mr. Butler said that there is not a great deal of difficulty in adjusting a U. & O. loss, and Mr. Charlton added that many small claims are presented simply to find out how the adjustment will be handled.

It was announced the Christmas party will be Dec. 10 at the Lake Shore Club.

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FOR TEXAS TERRITORY

Must be familiar with automatic sprinkler systems. We make maintenance, fire and safety inspections. Our men work on stipulated amount plus bonus based on production. Liberal expense account, plus life and hospitalization insurance. As we operate in 48 States we are also interested in getting applications for other territory as of Jan. 1, 1947. All applications held strictly confidential. Write Allen E. Hendricks, Hendricks Engineering Corp., 43rd fl., Board of Trade, Chicago 4, Ill.

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Engineer with Fire Insurance Company or Rating Bureau experience wanted for responsible position in San Francisco office of large Insurance Company. Man with residence now in or near San Francisco preferred. Write complete details as to age, education and experience. Address J-47, The National Underwriter, 175 W. Jackson Blvd., Chicago 4, Illinois.

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"Tax Money" Sales Will Backfire. Buyer Warns Agents

Economy Wave May Cause Under-Insurance at Wrong Time

In his talk at the educational conference of the West Virginia Assn. of Insurance Agents at West Virginia University at Morgantown, R. P. Johnson, Wheeling, vice-president Trimble & Lutz, heating and plumbing supply jobbers, said that the "cheap money" psychology of war years is about to backfire on firms which bought insurance on that argument and on the agents who used it. Now that the excess profits tax has been eliminated, firms are scrutinizing their fixed charges and the result in many cases will be serious under-insurance at the wrong time.

Mr. Johnson used this point to emphasize his ideas of constructive selling of insurance. He said it does not apply to his company, because, although it was in a high tax bracket, its insurance man never used the tax argument. "Cheap money—and that was what most corporations considered it—" he said, "contributed no vital, essential thing to a business during that period which should not be necessary in normal times."

Always Ready for Education

On the other hand, Mr. Johnson said, every reasonable business man realizes that he cannot know everything about insurance and will buy and keep on buying insurance if his agent takes the trouble to analyze and explain his exposures and keep his insurance in line with the actual risk. "Your complete insurance program," he continued, "submitted in writing, can be mulled over by your client and either accepted, in whole or in part, or rejected in full. If accepted in part, you may feel sorry for him, but he cannot put one iota of blame on you. You have done your level best and he simply wanted a suit too small for him. If a storm breaks, he may break with it. There are few progressive business men who refuse to be further educated. If you will take the time to serve your present clients, you may never have to 'solicit' new accounts."

Shepley Paul Heads New England Board

BOSTON — E. Shepley Paul of Auburn, Me., Tuesday was elected chairman of the New England advisory board at its annual meeting and the New Ocean House, Swampscott, Mass., was selected as the place for holding the New England agents convention in 1947.

Edwin S. Cowles of Hartford was elected vice chairman and Edwin S. Pike of Rutland, Vt., was reelected secretary. The board adopted a resolution ordering the directors to take up with the New England rating association the matter of poor service being received by the agents.

There was a free discussion of the all-industry bill and public law 15 and the possible effect of state regulation on commissions.

Carleton I. Fisher of Rhode Island outlined the plans of the N.A.I.A. finance committee looking to securing a larger income.

Robert S. Perkins of Manchester, N. H., New England's representative on the national executive committee, was given a warm greeting. All New England states were represented.

Bowersock Suggests Expanded Role for Accountants in Home Office Operations

NEW YORK—Donald C. Bowersock, president of Boston and Old Colony, advanced a novel and interesting proposal for a more scientific home office procedure in which underwriters, loss men, and reinsurance men would be responsible solely for the operations of their respective groups, with the remainder of office operations being in charge of the accounting and statistical department. This would leave the underwriters, loss men and reinsurance experts free to devote their full time to their specialized type of work and not needing to concern themselves with general office matters, as often happens in all but the largest companies.

Should Rub Elbows

Mr. Bowersock also urged the advisability of closer contact between the accounting and statistical departments on the one hand and other departments. For instance, underwriting executives will often make commitments on the furnishing of statistical material without knowing how or whether the information can be furnished. With rates under

greater control in the future, executives must be in a position to defend themselves against unwarranted demands for decreases and to argue for merited increases. Unless statistical work is far ahead of what it has been in the past the companies will be defenseless in these situations, he said.

Accountant Is Ideally Situated

The accountant, said Mr. Bowersock, is ideally situated to assume a more important place in the insurance picture with respect to various forms of paper work, but of course he must justify it. If the accountants demonstrate ability they can not only have a part in these operations but can be leaders.

Mr. Bowersock warned against a tendency toward over-refinement of classifications. Sometimes, he said, classifications are made so precise that there are so few risks that one loss in the class will make the class unprofitable. Classes should not be so over-refined that they cannot stand on their own feet, he said.

Winchell Starts Guessing Game by Mo. Bribe Case Hints

Walter Winchell in his Sunday evening broadcast said that a Hearst reporter had obtained information indicating that one of the highest government officials was involved in the Pendergast insurance bribe case in Missouri. He intimated that the reporter was planning to publish his material.

U. S. Aviation Insurer of Plane That Crashed in Cal.

The Western Airlines plane that crashed on White Mountain in California and killed eight passengers and three crew members was insured in U. S. Aviation Underwriters for all except compensation. A crash of this kind would not cost more and might cost less than \$125,000 for the plane, between \$100,000 and \$125,000 on passengers and \$20,000 on the crew. There would be some baggage and cargo loss, but no public liability or property damage.

Details are still missing as to how many passengers carried aviation accident coverage.

Nelson Advanced by American Group

Frank A. Nelson, who has been in the Illinois field for the American group, will be transferred to the western department office at Rockford as assistant manager of the fire underwriting department shortly after Jan. 1. Harold G. Scott, who was Mr. Nelson's assistant for several years but has recently been supervising the eastern Missouri field, will succeed Mr. Nelson. He will continue to have his headquarters in the St. Louis service office.

Last of Radium Victims Dies

Mrs. Albina Larice, 52, died at Orange, N. J., the last of five women who in 1928 sued U. S. Radium Corp. at Orange for an aggregate of \$1,250,000 damages for radium poisoning. The other four women are dead. Their suits were settled out of court for \$10,000 cash, reimbursement for all medical expenses past and future, a \$600 a year pension and counsel fees and legal disbursements.

Frank Winship of U. S. F. & G. will be the speaker at the meeting Nov. 27 of the Surety Company Claim Men's forum of New York.

Warfield Clears the Air on N.A.I.A. All-Industry Stand

Tells D.C. Agents National Body Is Squarely Behind Model Bills

WASHINGTON—Of all the legislative measures that have come to the attention of the National Assn. of Insurance Agents thus far the all-industry committee bills come the closest to providing the greatest possible protection to the greatest number of interests involved in the insurance business. Guy T. Warfield of Baltimore, president of N.A.I.A., told the Insurance Club of Washington.




Guy Warfield

Mr. Warfield said that a great deal of misinformation has been circulated about the bills and that a large segment of the N.A.I.A. membership has not kept itself informed on this vital subject. If the National association has not been sufficiently outspoken it intends to correct that situation immediately. He denied statements to the effect that the bills are not in the best interests of the stock company agents.

Wants No Needless Regulation

The National association, he said, is in agreement with E. W. Sawyer counsel of the National Assn. of Insurance Brokers and the National Assn. of Casualty & Surety Agents, and with others who do not wish any more regulation than is necessary to meet the public interest and satisfy the requirements of public law 15. The difference in position lies solely in the National association's interpretation of what is necessary in order to satisfy the same basic aims. The national organization has not sat back and let things develop but has, on the contrary, he said, given support to them as a pattern because after careful consideration of all the problems, it believes they are best.

Mr. Warfield said Mr. Sawyer deserves the thanks of every producer (CONTINUED ON PAGE 32)



IS IT A NEW COMPANY?

The Stuyvesant was incorporated in 1850, yet, we prefer to think of it as being 96 years young. Management, policies, underwriting and agency cooperation are, and always will be, kept up-to-date and modern as tomorrow.

Why don't YOU learn more about The Stuyvesant?

The Stuyvesant INSURANCE COMPANY

FIRE AND ALLIED LINES • 111 WILLIAM ST., NEW YORK 7, N. Y.

Established 1850

EDITORIAL COMMENT

In the Public Interest Comma

We aren't mad at anybody and we don't advocate that they quit doing it but we have been getting a chuckle lately out of the ubiquitousness of the tag line "in the public interest." Its use has proliferated in the debate over what to do about public law 15. Both sides and all sides go along with their arguments in the normal course and then, as if it were a punctuation mark, inject

the phrase "in the public interest."

It reminds us of the northerner who took up his stand in the south and proceeded to develop a synthetic southern accent. But when he got excited he would forget to keep in his new role and would lapse into Yankee tongue. Then he would remember he had forgotten and at no matter what point in a sentence he was he would say "you all."

We Can Solve Our Own Problems

Not long ago, the manager of a large industrial concern found that one of his key machines was out of order. It was necessary to get action. It was highly desirable to have the repair made, and not be compelled to summon aid from a long distance where the machine was made. The manager called in one of the workers who is known to be very handy with tools and able to "fix" almost anything. He sent for him and

told him what was the matter. He asked him whether he could do the needful? The man replied, "Well, some man made it, didn't he?" That was enough. If a man made the machine, a man could repair it.

So with all our problems, they are man made, and hence, we can solve them if we try. All we need to do is to have knowledge and know how to apply it at the correct point.

Injustice of Hasty Judgments

It has been stated by keen observers and students that 75% of our judgments about people, and things are incorrect. We jump to conclusions hastily. We may reach our decisions through a prejudiced eye and ear. We think we know it all. We are very pronounced in our opinions and we know we are right. We hasten to tell the answer. We always feel humiliated to acknowledge that we

have been in the wrong.

Many wrongs are inflicted, much damage is done through our coming to conclusions without knowing all the facts and studying them. We do some grievous wrongs to people by announcing our hasty judgments. Reaching a correct conclusion requires candor, deliberation and a conscientious regard to do and say the right thing.

Need Supervisory Setup Expansion

It is now apparent that rate regulatory laws are necessary in the several states if regulation by the states is to be preserved. Such laws, when passed, will entail additional expense upon the supervisory officials who will be charged with their administration. It is a matter of common knowledge that state legislatures are extremely niggardly in their appropriation for insurance departments. Only about 5% of the taxes

paid by the companies is so used.

It seems incumbent upon companies, agents and the public actively to advocate and insist that the situation be thoroughly appraised by the 1947 legislatures, and sufficient appropriations be made and sufficient office space be afforded to the several insurance departments to the end that the new laws be administered in accordance with the express intent of public law 15.

Underwriting at the Source

DEPUTY Insurance Commissioner L. C. Lund of Minnesota, who is in charge of the fire marshal's division, brings out a point that insurance companies can well take seriously. He declares that he runs across cases where agents send in undesirable risks or companies take

too great chances on them such as taverns, night clubs located along the highways. In the first place, the moral hazard is abnormal. Mr. Lund said that a fire ensues and then the companies expect him to go to bat for them, make an extensive examination to prove in-

cendiarism and get them out of a bad mess.

He declares that underwriting should be done at the source. If the agent does not do it then in case of suspicious risks of this character the underwriting departments of companies certainly have intelligence enough to know whether such concerns are worthy of insurance or not.

Mr. Lund speaks of one recent case

where the adjuster demanded an investigation before he had inspected the place. The fire marshal's department, he declared, should not be appealed to in case of losses on these bad risks to pull the chestnuts out of the fire. He cites three tavern fires in Minnesota recently with heavy losses where they should not have been passed on at all by companies. This is a warning from a state official that should be heeded.

PERSONAL SIDE OF THE BUSINESS

Donald McDonald, local agent of Winter Haven, Fla., is effectively using the public relations scheme that is followed by a number of agents in cities with parking meters. He carries in his pocket a supply of red tags similar to a parking summons on which is printed the following jingle:

"We saw your car

Parked overtime.

We put in a nickel

To save you a fine.

McDonald Insurance Agency"

Whenever he sees a car parked under a meter with the red flag up, Mr. McDonald inserts a nickel in the slot, ties one of his tags to the door, and so saves the owner a parking fine. He says he can trace several new policies directly to this courtesy and almost invariably the owner will drop into his office to thank him and attempt to repay the nickel.

B. E. Kuechle, vice-president and claims manager of Employers Mutuals of Wausau, was elected trustee of Industrial Hygiene Foundation of America at its Pittsburgh meeting.

After an absence of three months or more on vacation and in a wide "swing around the circle," **Oscar West**, Washington representative of the National Assn. of Insurance Agents, has returned to his station. Mr. West spent some time visiting in California, and delivered a number of addresses and attended meetings at several points on the Pacific Coast, including Los Angeles and Oakland, also in Alabama, New England, the middle west and New York.

Arthur C. Baillie, who retired as general manager of Halifax, has returned to New Jersey to make his home. He will be located at Tenafly. Before going to Nova Scotia he was secretary of Home.

Kenneth G. Case of the London firm of Ellinger, Heath, Western & Co., is visiting Employers Reinsurance at Kansas City. He will return to England on Nov. 25.

Lewis H. Wallace, assistant treasurer of the Anderson-Hopkins agency, St. Joseph, was elected to the Missouri legislature for the third term on the Republican ticket. He served in the navy as a lieutenant, and on his return a year ago last September, took up his duties in the house.

Narge Beattie, manager of the Rocky Mountain district office, Denver, for Traders & General of Dallas, was married to Mrs. Grace L. Gibson at Albuquerque, N. M.

Frank T. Sullivan, the insurance commissioner-elect of Kansas, has been a resident of Kansas since 1912 when he

moved from his native Illinois. He worked on a farm in Russell county, Kan. He attended Kansas State College and had been at the University of Kansas for a year when he enlisted in the army in the first war. For a time he was a life insurance salesman and then was a teacher at Larned, Edgemoor and Onaga. Then he engaged in business for himself. He served as state commander of the American Legion and was a member of the state board of administration. He served 4 1/2 years in the second war and the last year was commander of military police in Berlin. He was a major.

W. J. Gould, fire underwriter for Northwestern Mutual Fire, has retired after 42 years in the insurance business. He was honored, on his last day in the office, at a meeting of company executives.

Miss Marjory Cecil Miazza, daughter of **James F. Miazza**, assistant general manager of Fire Companies Adjustment Bureau at Dallas, was married this week to **John B. Coon, Jr.**, a captain in the army air corps.

Robert P. Osier, Iowa state agent of Norwich Union, served as welder of the Iowa Blue Goose for nineteen years. In addition, he served one term as most loyal gander. He became a member of the pond in 1920, in 1923 was first elected welder and served until 1927 when he was made most loyal gander without going up through the offices. He returned as welder in 1932 and has continued ever since.

Frank T. Priest, member of the Johnston, Dulaney & Priest agency, Wichita, spent several days last week in Hartford and New York visiting company offices.

DEATHS

James R. Geiger, 57, Fort Wayne, Ind., local agent, for many years with Connecticut General Life, died there from a heart attack.

Robert C. Duffin, 61, secretary-treasurer and office manager of the Mercantile Insurance Agency, St. Louis, died after suffering a cerebral hemorrhage in his office.

Stewart M. Young, 68, Wichita local agent, died there following an operation for a brain tumor. He had been in apparent good health until the previous week. From 1906 to 1920 he was Equitable Society manager at Wichita, when he resigned to become Wichita postmaster. He held that post until 1929

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when he organized the general writing agency which he operated until his death.

FALL FATAL TO HAWLEY

Former President and Ohio Farmers 55-Year Man Dies

LE ROY, O.—Frank H. Hawley died Saturday after a fall in his home here. Funeral services were held Tuesday. He was born here May 24, 1869. In 1890 he entered the service of Ohio Farmers, giving up studies in Williams College on the death of his father, A. H.



FRANK H. HAWLEY

Hawley, who had been secretary of the company for many years and who in turn had succeeded his father.

He was elected a director in 1902, elected treasurer in 1909 and president in 1912. He served as president until 1940. He served Ohio Farmers for more than 55 years.

A son, Robert B. Hawley, is treasurer of Ohio Farmers.

Herbert B. Begg, 34, president of Shaw & Begg, Toronto, and a director of several insurance companies, died of a brain hemorrhage. Mr. Begg entered the insurance business after graduation from Upper Canada College. He succeeded his father as president of Shaw & Begg last April.

George Robinson, 59, partner in the Barrett, Robinson, Dickey & Swope local agency, Louisville, died at St. Joseph Infirmary, where he had been confined several weeks.

W. H. Maloy, 65, special agent at Seattle of Great American, died there following an extended illness. He underwent an operation about two months ago. Mr. Maloy was one of the old-time field men in the northwest. A native of Michigan, he was in the local agency business for a time in Washington and in 1920 joined Great American as special agent at Spokane. Later he was transferred to Seattle and given supervision of the entire state. He was a past most loyal gander of the Seattle Blue Goose. He had a reputation as a public speaker. Ralph Dreyer of Seattle is taking over Mr. Maloy's duties.

Arthur S. Rundall, former general adjuster in the western department of the old Phenix of Brooklyn, later Fidelity-Phenix, died at his home in Winchester, Va., where he resided after retirement. He succeeded the late David Ostrander as general adjuster.

John S. Shaw, 64, local agent at Marysville, O., died there.

Erastus H. Hull, 56, local agent at Oshkosh, Wis., who represented New York Life there, died of a heart attack.

R. P. Cravens, head of the R. P. Cravens & Son agency, Salina, Kan.,

which he organized in 1878, died there following a brief illness. He had been in poor health about six years since a fall in which he broke a hip, but had been active at the agency until a short time before his death.

Mr. Cravens went to Salina from Missouri in the early '70s as a young lawyer. He traveled the old Indian Territory for Queen for a time in the early days. He is credited with writing one of the first windstorm policies ever written and had much to do with determining the clauses of the windstorm contract. He organized the Salina Insurance Board and was its first president and was always active in the Kansas Assn. of Insurance Agents of which he was elected an honorary life member several years ago. He had represented a number of his companies continuously for 60 years or more. This year was his 60th anniversary with North America.

Roland Browning, a member of the Maxwell Underwriters Agency at Detroit for 17 years, died at Grace Hospital after a prolonged illness.

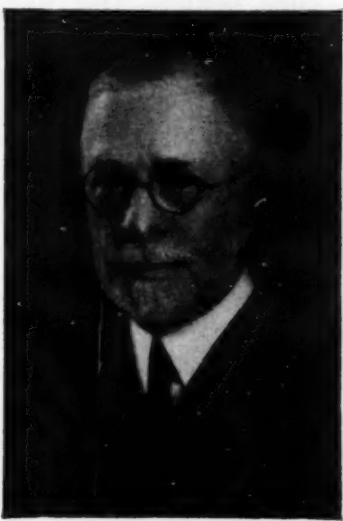
David S. Creamer, 88, former Ohio state fire marshal, died at his home in Columbus. Appointed fire marshal in 1906, he was credited with securing 72 convictions for arson, nearly all the offenders being sent to the penitentiary. Later he was elected state treasurer.

Albert J. Reamer, 70, former partner in the Lawrence Reamer agency, Norwalk, O., died there.

W. D. Rowe, 72, secretary-treasurer of Farmers Mutual Fire, Jackson, Mich., died there.

Hall Noted Editor

The late Archibald G. Hall, former editor of the "Insurance Advocate," was one of the oldest insurance journalists in the country. He was born in New York City in 1862 and was a graduate of the College of the City of New York. He



A. G. HALL

started as an agent and in 1892 founded the "Surveyor" an insurance journal, which he published until 1916, when he became a broker.

Six years later he founded the "Brokers Bulletin," which was merged with the "Advocate" and Mr. Hall was made editor. The "Advocate" was generally a paper for brokers, and Mr. Hall was an able writer, and well known for his independence and integrity. He was one of the first to receive the gold medal of the General Brokers Assn.

A. Fraser, who retired in 1938 as cashier of North British & Mercantile following 36 years service with the company, died at his home at Hackensack, N. J.

Edward P. Carsten, Elmore, O., has sold his agency to the Waters agency and George Brendow agency and is going to Arizona.

Study Synthetic Rubber Plant Safety, Fire Control

WASHINGTON — Insurance, fire control and safety featured discussions at the three day fire and safety conference of 200 executives of synthetic rubber plants, operated for the reconstruction finance corporation here.

H. Walker Johnson, manager insurance department Sun Oil Co., Philadelphia, said that "insurance of any kind is never profitable, and that regardless of how much insurance is bought, all insurance represents an expense." Therefore, it was suggested, "every effort that is made toward eliminating hazards and reducing accidents which insurance covers contributes to lowering expense to the community, to the individual and to the national economy."

Earl E. Taylor, safety engineer Southern California Gas Co., Los Angeles, discussed the importance of safety in fire control and illustrated various means employed in major fires in refineries and similar installations, whereby equipment and personnel who are not necessarily involved are protected at all times during the progress of the fire and during the time spent in efforts to bring it under control.

An appeal to industry was made by Edward S. Webb, assistant to the president National Safety Council, Chicago, for industry to raise the subject of employee safety to a higher level. Because he said many war production facilities were constructed of sub-standard material, the speaker stressed the need of comprehensive safety programs in view of the fact the danger of accidents is greater now than it was at the beginning of the war production period.

STOCKS

By H. W. Cornelius, Bacon, Whipple & Co., 135 S. La Salle St., Chicago, Nov. 18, 1946

	Div.	Bid	Asked
Aetna Casualty	3.00	84	87
Aetna Fire	1.80*	53	55
Aetna Life	1.60*	48 1/2	50 1/2
American Alliance	1.00*	19 1/2	21
American Auto .....	.80	30	32
American Casualty .....	.60	10 1/2	11 1/2
American Equitable	1.00	16	17 1/2
American (N. J.) .....	.70*	17	18
American Surety	2.50	59	61
Baltimore American .....	.30*	5 1/2	5 3/4
Boston	2.10*	62	65
Camden Fire	1.00	22	23
Continental Casualty	2.00*	46 1/2	48
Fire Association	2.50*	56	59
Firemen's (N. J.) .....	.50	12	13
Fireman's Fund	3.00	94	96
Franklin Fire	1.00	22	23 1/2
Glens Falls	1.85*	49	51
Globe & Republic .....	.50	8	9
Great Amer. Fire	1.20*	27	28 1/2
Hanover Fire	1.20	25 1/2	27
Hartford Fire	2.50*	98	100
Home (N. Y.)	1.20	26 1/2	27 1/2
Ins. Co. of N. A.	3.00*	90	92
Maryland Casualty .....	.10	10 1/2	11 1/2
Mass. Bonding	4.00	86 1/2	91
National Casualty	1.25*	24 1/2	26
National Fire	2.00	53 1/2	55 1/2
National Lib. .....	.30*	5 1/2	5 3/4
National Un. Fire	5.00*	140	150
New Amsterdam Cas.	1.00	25 1/2	27
New Hampshire	1.00*	50	52
North River	1.00*	22	23
Ohio Casualty .....	.80	35	37
Phoenix, Conn.	2.00*	85	87
Preferred Accident .....	.80*	11 1/2	12 1/2
Prov. Wash.	1.40*	35	36 1/2
St. Paul F. & M.	2.00*	65	67
Security, Conn.	1.40	30	32
Springfield F. & M.	4.75*	112	114
Standard Accident	1.45	29 1/2	31
Travelers	18.00	607	615
U. S. F. & G.	2.00*	44 1/2	46
U. S. Fire	2.00	47	49

*Includes extras.



"OK, BOB, YOU'RE COVERED - AND FOR YOUR SAKE IT HAD BETTER BE BY INSURANCE, TOO."

"RELIABLE"

Establishes

OUTSTANDING RECORD

of

PROMPT PAYMENTS

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JUST CLAIMS

With an established reputation representing more than 81 years of experience in fire insurance, Reliable gives agents an outstanding service. Write for the interesting details of Reliable's home office cooperative plan for agents . . . today. Address: Reliable Fire Insurance Company, Dayton 2, Ohio.

Standard protection

RELIABLE

FIRE INSURANCE CO.

Dayton, Ohio

An Independent Ohio Company

EMPLOYERS REINSURANCE CORPORATION

J. B. ROBERTSON—PRESIDENT

Needed changes or adjustments in Casualty, Fidelity and Surety Reinsurance arrangements for 1947 are now timely topics. Employers' service covers each phase of this field and related matters. Our Regional Offices are at your call.

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Watch Bureau Test of Kansas Rate Statute

May Provide Clues as to Needed Changes in All-Industry Bills

An order staying Commissioner Hobbs of Kansas from proceeding under his call of Oct. 25 for a hearing on fidelity-surety rates has been signed by District Judge Heinz of Shawnee county court in Kansas.

The Towner Rating Bureau on behalf of its members and Kansas subscribers, requested the stay. Douglas Hudson, Fort Scott attorney, represented the Towner Rating Bureau and also St. Paul Mercury Indemnity and Western Casualty & Surety.

Commissioner Hobbs had rejected the proposed filings of the companies that were to become effective Sept. 1 and he called a hearing for Nov. 13. Under the rating law enacted at the last session of the legislature, the commissioner must give the companies 20 days notice of any hearing.

The National Bureau of Casualty & Surety Underwriters for itself and its member companies has taken an appeal from a ruling by Charles F. Hobbs, Kansas commissioner, denying the bureau's filing of increased property damage and public liability automobile rates.

On June 7, 1946, the bureau filed increased public liability and property damage rates on passenger cars. On June 25, Mr. Hobbs advised the bureau that the rates were not acceptable. On July 23 the bureau asked for a hearing, which was held Aug. 20. At that time Mr. Hobbs reaffirmed his position that "the experience as recorded in the office of the insurance commissioner does not justify the increases . . . proposed."

Countrywide Experience

Hobbs stated at that time that the only information the bureau furnished in the way of experience was on a country-wide basis. He pointed out that the experience figures of companies for Kansas as shown in their annual statements for the five years ending in 1941 was 35.2 on bodily injury liability, which, he said, indicated that rates that were being charged then were more than adequate. In the subsequent five years, ending in 1945, the experience was 29.4%. On property damage for those two periods experience was 39.8 and 47.2.

The bureau's test of the Kansas rate law machinery is of considerably more than one-state interest. The Kansas law is based on one worked out by the Assn. of Casualty & Surety Executives and mutual company interests, from which the all-industry bill started. The industry may learn some things from the bureau appeal in Kansas that will be valuable to know before rating legislation goes into the state hoppers next year. In particular, it is desired to test the appeal procedure set up in the Kansas law.

Based on Transcript

Under the Kansas law, the appeal is based on the transcript of testimony at the hearing, and no new material will be put in, although each side can brief arguments or argue them. The transcript contains the evidence put in by the bureau as to the upward trend of mileage, gasoline consumption, car registrations and frequency of accidents in Kansas as well as evidence of material on the na-

WOULD AMEND CROSSER BILL

Shape Program to Extinguish Federal A. & H. Cover for Railroad Workers

Considerable sentiment is said to be developing in favor of trying to get an amendment to the Crosser bill at the next session of Congress to eliminate the system of non-occupational sick and accident benefits commencing July 1, 1947. Many of the railroad workers, it is said, are opposed to the injection of this disability benefit plan in the railroad retirement setup. They want to purchase their own protection privately and above that they fear that if the disability program should produce a deficit, it might have an adverse effect upon the retirement program which is highly valued.

M. W. Clement, president of Pennsylvania railroad, declared recently that the Crosser bill puts in peril the railroad pension scheme, because he predicted that the new and increased benefits, which it pretends to provide, cannot be supported even by the enormously increased wage and payroll taxes which it calls for.

Finds Inconsistency

Mr. Clement said it was amazing that the same Congress that insisted on keeping the social security tax on employees in other industries at 1% has practically doubled the tax on railroad

workers, who are already paying much more than other workers. Because of the Crosser bill, he said, railroad employees will soon be paying more than six times as much tax as employees of other industries, but their maximum pension will be less than twice theirs. For instance, a railroad man of 30 years service who is earning \$300 a month is now paying a retirement tax of \$10.50 per month or 3½%. Starting next January the tax will be \$17.25 or 5¾% and by 1952 it will be \$18.75 or 6¼% and for this increase he will not receive one cent more pension.

Responsibility of Individual

Mr. Clement said that the pension fund now is not financially sound and that even the greatly increased taxes will not put it on a sound basis. Health and accident insurance has always heretofore been the individual's responsibility. In keeping with the trend of the times, he declared, it may be desirable to put it on a 50-50 basis, the same as the pension, but it should not be paid for out of funds collected to provide unemployment insurance. A separate fund should be established and that should be kept financially sound.

Casualty Actuaries List Topics for Informal Discussion

NEW YORK—Informal discussion at the annual meeting of the Casualty Actuarial Society at Hotel Biltmore, New York City, Nov. 22 will deal with avoidance of the violent fluctuations in workmen's compensation premiums, with the problems arising out of adoption of uniform classification of accounts by casualty companies and with the advantages and disadvantages of a uniform combined annual statement for both fire and casualty companies.

Specifically the compensation topic is "It is represented by certain persons advocating further limitation for payroll in the compensation rating structure that such action will avoid the feast and famine swings that seem to be produced by fluctuations in wage levels. Is this the complete answer to the variation of loss ratios resulting from the swing of economic cycle?"

All Afternoon for Discussion

The entire afternoon will be devoted to informal discussion. At the morning session Richard Fondiller of Woodward & Fondiller, consulting actuaries, New York City, will give his report as secretary. The society will vote on admission of new members, will elect officers and council members, and vote on an amendment to the by-laws putting the fixing of the amount of dues in the hands of the council.

Charles J. Haugh, Travelers, will deliver his presidential address and several new papers will be presented.

tional experience. This should be something of a test of whether experience in a specific area will govern or whether a national trend can be used as a basis for rate changes, and also as to whether it is necessary to wait for individual company figures within a particular area to show up in the annual statements in order to have "evidence" for a rate change.

Insurance Men Take Part in Construction Parley

WASHINGTON—Insurance interest in advancing construction was shown by participation of a number of industry representatives in the meeting of the Construction Industry Advisory Council, at the U. S. Chamber of Commerce.

Henry C. Young, Washington local agent, represented National Assn. of Insurance Agents as alternate for Travis Bailey, San Antonio, chairman of the N.A.I.A. fidelity-surety committee. Oscar West, Washington representative of N.A.I.A. attended the meeting.

Clinton T. Bissell, representing the National Board, headed a panel in round table discussion of building codes and improvement of code administration.

E. Vernon Roth, secretary Surety Assn. of America, attended along with 20 to 25 surety company representatives.

Charles L. Phillips, U. S. F. & G. executive vice-president, was listed among Assn. of Casualty & Surety Executives delegates, while C. R. Morgan, Charleston, W. Va., represented National Assn. of Surety Bond Producers.

Mergenthaler Story Reprints Available

Reprints are available of the story on the Mergenthaler Linotype Co. embezzlement, which appeared in the Nov. 7 issue of The National Underwriter. They are on 9 x 11 stationery, suitable for mailing.

Reprints also available on same basis of story on page 1 this edition. "Paper Towel Co. U. & O. Loss May Be \$3 Million."

Prices for quantity orders are: \$2 per 100; \$3.50 per 250; \$6 per 500; and \$8 per 1,000. Address The National Underwriter, 175 West Jackson Blvd., Chicago 4, Ill.

N. J. C. of C. Will Oppose "Nest Egg" for Sickness Cover

Contends Money Should Remain in Unemployment Compensation Fund

The New Jersey State Chamber of Commerce will oppose the proposal to use the \$182 million that is available to the state as a nest egg for a cash sickness benefit plan when the question comes up at the public hearing scheduled at Trenton this week. The hearing is being held by the state's post-war economic welfare commission. It is understood that the unions will vigorously support the proposal to use the money, which represents funds paid in taxes to the unemployment compensation fund from employee contributions. New Jersey is one of the few states taxing employees for the unemployment fund.

Basis of Opposition

The state chamber's opposition is based on the fact that if there is no state fund there will be no place to use the money. The chamber contends that there should be no state fund but that privately insured or self-insured plans should be used and that the money should remain in the unemployment compensation fund since it will eventually very likely be needed. If it is taken out of the fund, replenishments if needed will have to come from the employers. It is pointed out that while \$182 million seems like a lot of money New Jersey has one of the most liberal unemployment insurance compensation plans, the maximum benefit being \$22 a week for 26 weeks.

Among insurance representatives at the hearing will be Albert Pike, Jr., actuary of Life Insurance Assn. of America, and as representatives of Prudential, E. B. Whittaker, vice-president, Frederick Graef, secretary, and Alexander Query of the law department.

There are three general types of possible cash sickness benefit laws. The Rhode Island type is monopolistic, excluding privately insured and self-insurance plans. The proposed New Jersey plan requires coverage but sets up no state insurance fund. The California type is between the two, requiring coverage and setting up a state fund but permitting privately insured and self-insured plans.

Bloom Heads Chicago Group

Herbert L. Bloom, vice-president Lumbermens Mutual Casualty, was elected president of the Casualty Adjusters Assn. of Chicago at the annual meeting Wednesday. H. J. Engel, T. H. Mastin & Co., is vice-president; and R. T. Luce, vice-president and claims attorney, Casualty Mutual, was reelected secretary-treasurer.

George H. Moloney, vice-president Hartford Accident, was speaker.

The adjusters will hold their Christmas party Dec. 4 at the Morrison hotel. Membership is now near the 100 mark.

Fred Davey Resigns

Fred N. Davey has resigned as vice-president in charge of aviation of the American Casualty and American Aviation & General. He formerly was with Aero Insurance Underwriters.

Watch Class Rating of Autos

Companies Checking Closely to See That There Are Not Too Many A-1s

NEW YORK—The classification plan of rating automobile public liability and property damage insurance is being watched with close interest by both companies and agents. In the three years in which the plan was in operation before the war, 1939-1941, the value of a program that would reflect driving exposures made itself evident.

There has not been too much experience since the classification plan was reinaugurated following elimination of gasoline rationing, but there has been some test checking by several companies to determine whether or not the proportion of cars under the A-1 rate was too large. Concern has been expressed on several occasions by both agents and companies that this might be happening. Statistics will be kept by the companies in the National Bureau of Casualty & Surety Underwriters in detail as to classifications beginning Jan. 1, but even on a large sampling, for the country as a whole the proportion does not show that too many cars are in A-1. It is understood that the proportion is under 40%, with the A class between 40 and 50 and B under 20.

Proportions in New York

In the metropolitan New York area the proportion in A-1 is between 60 and 70% and in New York state as a whole around 70%. Many persons in the metropolitan area do not drive more than 7500 miles a year. Also cars insured since the automobile financial responsibility law went into effect has climbed to 80 in New York state. Consequently, underwriters do not regard 65% as being too far out of line. It may be that there is some misclassification going on. If there are a number of cars in A-1 that should not be there, the question is how they can be shifted to the proper class.

There has been talk of reinstating the signed application. However, this was not an answer to the problem before, and probably would not be if it were tried again. Another suggestion is to include something in the policy, a description of the classification and what it is, preferably in the declaration page. This would define the class A-1 and tell what it means. Its object would be to let insured know the base on which he is rated.

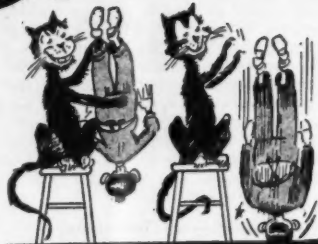
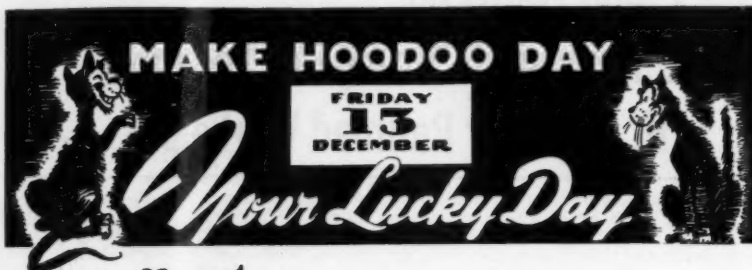
U. S. F. & G. Story in Book Form

"Fifty Years of Suretyship and Insurance" is the title of a 200 page book that was written by Clarke J. Fitzpatrick, secretary of U.S.F.&G. and Elliott Buse, who is in the advertising business at Baltimore. It is the story of U.S.F.&G. which this year is marking its 50th anniversary.

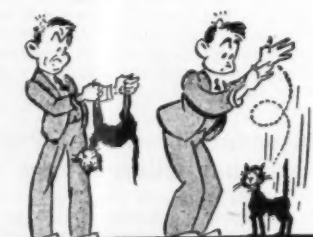
While this is primarily a story of the progress of U.S.F.&G., it is also an excellent sketch of the last half century of insurance because, of course, it was not possible to tell the story of U.S.F.&G. without bringing in the background of the times. While the text deals to a large extent with the early formative years, and especially with the work of the founder, John R. Bland, it brings the account up to the minute, as the final chapter deals with the S.E.U.A. decision, and the work of the all-industry committee.

Social Security in a "nut shell", plus the gadget appeal. That's the Social Security Pocket Guide. Ask THE NATIONAL UNDERWRITER.

Here's How to Pay Those Xmas Bills



Land on your feet. A cat does. Nature gave cats insurance for a fall. Drop a black cat from any height and he'll land right side up. He can absorb the shock.



Accident insurance absorbs the shock of your fall. It pays your bills and saves you worry, if you are the one out of every 13 who, each year is injured in an accident.

Shown above is a reproduction of a mailing piece for the Hoodoo Day campaign of Friday, Dec. 13. It is a part of the agent's kit, which is designed to help write 13 applications on Friday the 13th in order to qualify for membership in the Black Cat Club. Hoodoo Day is the most popular nationwide sales campaign in the insurance business, with \$1 million in premiums written every Friday the 13th.

Fight Air Fire Hazard

Stating that 60% of the air accidents in the past three months involved fire in the air or at time of impact, Percy Bugbee, general manager of National Fire Protection Assn., announces the formation of a reorganized committee on aviation and airport fire protection. Chairman is Daniel deR. M. Scarritt, manager Associated Aviation Underwriters.

Runey Chicago President

Frank E. Runey, production manager for Globe-Royal-Eagle, was elected president of the Assn. of Casualty & Surety Managers of Chicago at the annual luncheon meeting Tuesday. He succeeds L. C. Knapp, Great American Indemnity.

D. K. Weiser, Aetna Casualty, is vice-president, and John L. Machle, American Surety, secretary. Members of the executive committee are: T. E. Barton, Jr., U. S. Casualty; H. N. Douglass, New Amsterdam Casualty; W. O. Schilling, U.S.F.&G.; George H. Moloney, Hartford Accident; James White, Travelers; Spencer Welton, Massachusetts Bonding, and Mr. Knapp.

Yes — the odds are in your favor, 13 to 1 that you won't have an accident. But the long shot pays well when it comes in. Don't be that 13th long shot on Friday, December 13th.



Your jinx chaser will tall on you on Hoodoo Day this year. He will show you how to Make Hoodoo Day your lucky day.

YOUR ACCIDENT INSURANCE MAN

Kits are available from the Accident & Health Review, 175 West Jackson Blvd., Chicago.

Ask \$25 Minimum W. C.

WASHINGTON—Demanding increased coverage for occupational diseases and increased compensation, United Mine Workers of America, in a recent resolution, pointed to differing provisions of compensation laws of coal-producing states, which, it said, result in "injustice." Attention was also called to "lack of complete coverage for silicosis, poisoning, miner's asthma, arthritis and other occupational diseases." Increase of compensation benefits was demanded to at least 75% of weekly earnings with a minimum of \$25 a week.

Doctor-Insurance Parley

WASHINGTON—Meetings proposed for Philadelphia, Nov. 5-6 of the joint insurance-American Medical Assn. subcommittees on cooperation to provide prepaid medical care insurance and to study rural problems have been postponed until Nov. 22-23, at the Life Insurance Assn. of America offices, New York, Ambrose Kelly, chairman of the insurance halves of these groups, states.

The purpose is to develop ideas for submission to the full A.M.A.-insurance joint committee, which will meet in Chicago, Dec. 5.

SURETY ASSN. BOOKLET

Story of Corporate Suretyship Over 70 Year Span Is Told

The story of corporate suretyship in the U. S. over a period of almost 70 years is presented in a 36-page booklet just published by Surety Assn. of America, entitled "Corporate Suretyship—The Balance Wheel of American Business."

Approaching its theme objectively, the booklet captures the highlights of corporate suretyship since the first fidelity-surety companies pioneered in this field. It demonstrates the ineffectiveness of the earlier system of personal suretyship, and outlines the birth and growth of corporate suretyship, the hazards confronting the business during the first several decades of its existence, the progressive evolution of fidelity and surety bond forms, and the practical contributions corporate suretyship has made to American business methods and progress.

An integral part of the narrative is the organization and performance of Surety Assn. of America, with the role it has played in the development of corporate suretyship analyzed.

The foreword was written by William S. Crawford, insurance editor of the New York "Journal of Commerce," who cites the benefits corporate suretyship has effected for thousands of individuals and for the great body of the public. "Corporate suretyship," comments Mr. Crawford, "has made a record of which it is justly proud and, by admirable service to the public, has earned its confidence."

Two double-page illustrations accompany the text. One is an analysis of the suretyship guarantees in the historic Magna Carta, prepared by William L. Bates, vice-president of Fidelity & Casualty; the other, a Dun-Bradstreet graph of commercial failures over a period of 30 years, with a companion graph of surety losses over the same period.

The performance of the fidelity-surety companies during war and peace, depressions and prosperity, is sketched in detail, and the human interest story behind that performance is given due prominence.

Aetna Casualty Forces Confer in Minneapolis

MINNEAPOLIS—About 125 representatives of Aetna Casualty in this area held an all-day conference with home office executives. L. C. McGee, district manager, and R. L. Pugh, superintendent of agents, both of Minneapolis, were co-chairmen.

From the home office were F. W. Potter, field supervisor, who discussed miscellaneous liability and burglary lines; R. C. Larson, field supervisor, talking on accident insurance and survey selling; R. E. Brown, casualty advertising manager and from the Minneapolis office, A. M. Angvik, who spoke on fidelity bonds; M. G. Hocker, aviation insurance; H. G. Eberle, the bank-agent auto plan, and R. L. Pugh, selling by telephone.

Shale, Jr., to American Casualty

J. Horace Shale, Jr., has been appointed special agent for northern New Jersey of American Casualty, working out of the Newark office.

He is the son of J. Horace Shale, who for a number of years was vice-president and manager of Commercial Casualty.



W. L. Bates

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J. B. DONOVAN IRATE

National Bureau
Counsel Lashes
Enemies of Bills

NEW YORK—The all-industry bills have now been attacked in various quarters with opponents ranging from earnest critics to voices for hire, James B. Donovan, general counsel of the National Bureau of Casualty & Surety Underwriters, told the Automobile Casualty Underwriters Assn. in New York. No one of these opponents has presented a proposal which has not been weighed and found wanting for a substantial reason, he charged.

In some cases they simply revive, with the fanfare of one proclaiming a panacea to an expectant world, some dead cat rejected long ago for fundamental defects, he declared. The all-industry bills are not perfection and may need changes but now is the time for practical, constructive action and not sound and fury.

Propose 6.5%
Cal. Rate Cut

SAN FRANCISCO—An overall reduction of 6.5% in the workmen's compensation rate level is proposed in the new California manual submitted Monday at public hearing here with Cecil C. Lloyd, chief assistant insurance commissioner, presiding.

Many changes required complete re-printing of the manual submitted, reducing class designations from 912 to 547 and code numbers from 840 to 496. Five new classifications are proposed. No changes are proposed in retrospective plans or in minimum or maritime employment plans. All stores operations are placed under a new section of "mercantile establishments," oil and gas operations are under "petroleum industry," automobile under "automotive industry," storage becomes "warehouses." An innovation is inclusion of a supplement as "underwriters guide."

Aircraft, Shipbuilding Not Considered

Aircraft and shipbuilding operations are not considered because of changes since war-time conditions.

Commissioner Garrison reported he would render a decision on the manual quickly to aid the companies in meeting January renewals.

Western Companies Holding
Regional Training Schools

Western Fire and Western Casualty of Fort Scott held the first of a series of regional training schools for agents at Hutchinson, Kan., Nov. 18-19. A number of agents were selected to head panels on different subjects, including George Renn, Wellington, on fire and aviation liability; Dwight Smith, Wichita, on automobile; Clovis Cash, Augusta, burglary and plate glass; Reuban Miller, Hutchinson, inland marine; A. H. Lewis, Hutchinson, general liability and compensation; Wade Patton, Hutchinson, bonds.

Home Office Men on Hand

President Ray B. Duboc, Kansas City, presided at a dinner meeting. Other officials in attendance included Vice-president Clifton Otto, head of the fire department; Vice-president W. B. Gench, automobile department; Assistant Secretary David Gordon, bond department; Assistant Secretary J. R. MacLellan, burglary and plate glass; Assistant Secretary E. H. Morrison, general liability; L. E. McClintic, Kansas automobile underwriter; Preston Doerfler, aviation field supervisor; William Mayberry, advertising manager; Eugene Allen, bond department, and Harley G. Cosby, Kansas state agent,

Am. Auto Cited
Incorrectly

Allen Whitfield of the Des Moines law firm of Whitfield, Musgrave & Selvy, has written to THE NATIONAL UNDERWRITER reporting that due to a clerical error a citation was incorrectly given in the manuscript of his talk at the recent meeting of the insurance section of the American Bar Assn., and which was reported in THE NATIONAL UNDERWRITER of Oct. 31 on page 21 in

an article captioned "Auto Verdicts Echo Inflation."

American Automobile was incorrectly identified by Mr. Whitfield as the defendant in a recent case in which the insurer was held not to have conducted the settlement negotiations in good faith. American Automobile was in no way involved in this litigation. The case that Mr. Whitfield intended to cite is reported at 24 CCH, Automobile cases, No. 618 Ohio, 1946.

Official Correction Sought

Because of the prominence and standing of American Automobile it is un-

fortunate that it should have been a victim of this clerical error.

Mr. Whitfield is taking steps to have the secretary of the insurance section of the American Bar Assn. make the appropriate correction.

Claim Assn. Sets 1947 Date

Following a meeting of the executive committee of the International Claim Assn., President James N. Cunningham announces that the next annual meeting will be at New Ocean House, Swampscott, Mass., Sept. 15-17, 1947.

BLOCK OUT

This

SHADOW



—and make firm friends
Sell him peace of mind that comes with
the protection of a CENTRAL SURETY

Blanket FIDELITY BOND

In this time of unrest, every employer needs protection against defalcations, small and large, which result from the universal urge for "more money."

Records show that most losses come through ordinarily normal, honest employees who yield to pressing temptations.



CENTRAL SURETY AND INSURANCE CORPORATION

HOME OFFICE KANSAS CITY, MISSOURI

R. E. McGINNIS, President

SAN FRANCISCO

CHICAGO

NEW YORK



Use the Boiler Line to Boost Your Income in 1947

Are you making plans for the new year? Plans that contemplate boosting income to meet the increased costs? If so, put the Boiler and Machinery line down for more attention. There is a nice volume of it to be had in your area.

You will find the Hartford Steam Boiler Special Agent in your district glad to help with all necessary technical information and sales aids. It's his job to work with you in getting risks on your books and in servicing them afterwards.

Now is the time to push this line. Manufacturers must turn out more goods than ever before to fill orders—and do it largely with power equipment that has been used hard through the war years and since. One major accident to these power units could knock the bottom out of their sales, take a big bite out of local payrolls and local prosperity. To forestall trouble, power equipment should be protected by insurance and by periodic inspections of the type made by Hartford Steam Boiler.

Why not have your Hartford Steam Boiler Special Agent help you set up a program for writing more of this profitable insurance in 1947? Never was the time more opportune.



The Hartford Steam Boiler Inspection and Insurance Company
HARTFORD, CONNECTICUT
FOR POWER-PLANT INSURANCE, IT PAYS TO CHOOSE THE LEADER

CONTINUE TO DEBATE

Mysterious Disappearance in Residence Theft Policy

NEW YORK—Whether to include mysterious disappearance losses in the residence theft policy or leave it out, or whether to offer a contract with such losses assumed and one without, are still questions that puzzle the casualty underwriters. At the moment there seems to be no indication that bureau companies will make any substantial change in the policy until the effect of the increased rates can be measured.

But continued high loss ratios on the business have kept the debate going. Apparently the rate increase is not going to affect appreciably the number of policies written. Underwriters that watch the business countrywide report that the number of policies is running about the same as before the hike in rates. In metropolitan areas such as New York City and environs, some insured are not taking the off premises protection, undoubtedly due to the greater cost. But elsewhere the business is being renewed at the increased charge. Undoubtedly some good risks are going to the personal property floater. But on the basis of the evidence so far, the companies will get a good increase in premiums for substantially the same business.

H. B. Montgomery's Views

H. B. Montgomery, assistant secretary of Indemnity of North America, which offers the coverage with and without the mysterious disappearance feature, states that it is too early to have any clear idea of how the policy without the disappearance clause is going.

However, he says, "our claims department advises that they have not observed any claims to date on policies which do not contain the mysterious disappearance clause, in spite of the fact that our claim frequency is still mounting steadily."

"On the other hand, we have to admit, with some chagrin, that the majority of producers are demanding the broader coverage and the inclusion of the mysterious disappearance clause, and their insured appear to be willing to pay the very great increase in cost. We estimate that the average increase is about 40%." Apparently producers want to sell their clients a coverage as broad as any sold by their competitors.

"In our judgment," Mr. Montgomery states, "no rate increases are ever going to measure the sweeping coverage afforded by the mysterious disappearance clause. There is probably no person alive who does not mislay some property in the course of a year's time, and if every insured wanted to take full advantage of the contract we could easily have 100% claim frequency. As it is, many insured who have been on our books for 10 or 15 years with a good experience are now making anywhere from three to seven claims a year against us. Fortunately, the great majority are treating their insurance policies as protection against catastrophe and are not making claims for losses where there is not a presumption of theft; but the tide is changing steadily."

Claiming for Mislaid Articles

"It is our prediction that as long as the mysterious disappearance clause is retained in the contract, the loss ratios of the companies will continue to mount," he states. It is no answer to say that most mysterious disappearance claims would be paid even though the policy contains no mysterious disappearance clause. "We are educating our insured to make claim for every mislaid article. We believe—and this

belief is borne out by day to day observation, although not yet substantiated by statistics—that the claim frequency under policies which afford that 'mysterious disappearance shall be presumed to be due to theft' is many times that of policies which contain no such clause." Mr. Montgomery regards the clause "as a loss leader of the worst kind."

Other underwriters, of companies in and out of the bureau, go along with Mr. Montgomery's views, or submit evidence to the contrary. For example, one large company is running a statistical test of claims under the mysterious disappearance clause and has found, so far as the study has gone, that such losses amount to 17% of total with the in premises proportion 4% of total.

One of the real questions is whether the form can be written both ways. Those who argue it should be pointed to metropolitan centers where the premium is high and where either the companies are losing good insured for that reason or are not getting them—persons who want and need the coverage but who can't afford to buy the mysterious disappearance feature. Another bothersome loss under the policy is that caused by the owner leaving it somewhere, forgetfully, and finding it gone when he goes back to get it.

Francis Wassinger of Hays, Kan., has returned from military service to the Ellis Abstract & Loan Co. The company recently located in a new office building of semi-fireproof construction.



it's all there in a nutshell

Speed Up the Acceptance of Your Bond Risks by Keeping Anchor's "Field Counsellor" Cabinet at Your Elbow.

A simplified system for the preparation of Bond submissions—organizes the entire business for the Agent.

Application supply folders with indexed, manual-colored tabs carrying complete instructions for submission of risks; in addition, copyrighted factual information of an educational nature, in condensed form.

Anchoring Assures Smooth Selling
Short Form Applications
Simplified Rate Manual



ANCHOR CASUALTY CO.
ST. PAUL 1, MINN.

Batter Casualty Bill in Washington Code Hearings

SEATTLE—The closing days of hearings on the proposed new Washington insurance code witnessed an outbreak of sharp opposition to the all-industry rating bill for casualty and miscellaneous lines.

Stuart G. Thompson, chairman of the code committee of the Northwest General Agents Assn., led the fight by urging that fire lines on the one hand and casualty and other lines be treated separately and that the bill be amended to permit any licensed company except as respects fire insurance, to deviate from filed rates in order to meet the net rate of a participating company. At present, the draft permits deviations, but only on satisfactory showing to the commissioner that the lower rate thus produced is adequate and the filing carrier must make a showing as to loss and expense factors.

Mr. Thompson bitterly assailed the deviation provision of the casualty draft as a device which would render the non-participating stock companies helpless in competition with the non-agency participating companies.

Aid to Mutuals

He charged that the law if enacted in its present form would result in diversion by the mutuals of business created by local agents. Mr. Thompson said it is unfair to ask a non-participating carrier to justify a deviation which it is making to meet dividend competition when the dividend itself does not have to be justified as to loss and expense factors.

Lining up against Mr. Thompson were Alfred E. Rode of Seattle, counsel for Northwestern Mutual Fire and Northwest Casualty; and George Stuntz, counsel for American Mutual Alliance. Stuntz said his people favor two separate bills, although he disagreed with Mr. Thompson's philosophy as respects deviations.

Mr. Rode reviewed the requirements of the S.E.U.A. decision and public law 15 and said he believed all parties should go along with the all-industry bill.

"All-Industry" a Misnomer

R. A. Wenzel, vice-president and manager of the Truck Insurance Exchange of Los Angeles, said "all-industry" is a misnomer as vast segments of the industry are against the bill. He cited the case of the alternative bill being sponsored in California by Farmers group, Pacific Employers, Pacific Indemnity and the Fireman's Fund and said the bill has the support of the organized agents and brokers of California. As an alternative to hasty action, Mr. Wenzel suggested postponing any action on any rating bill in Washington as he believes the state has adequate rate control at present. At the end of the two-year period, by the time the 1949 session would roll around, experience could be drawn from other states.

J. T. Blalock of Los Angeles, assistant general counsel for the Pacific Indemnity, joined in the assault on the rating bill. He asserted that a large group of independent companies are unalterably opposed to the all-industry bill "because it throttles competition and is, therefore, contrary to public policy." He said he does not believe that the all-industry bill meets the problem.

Special Deputy Commissioner R. D. Williams asked Mr. Blalock to review the highlights of the proposed California bill, which Mr. Blalock did, emphasizing that there is a provision in the measure providing that there shall be no abridgement of right of contract between agent and company as to commission.

George W. Clarke, attorney representing the National Board, asked if anyone objected to the present bill as it relates to fire insurance. All inter-

ested parties indicated they had no objection.

At the close of the discussion, Mr. Williams said the department was still prepared to draft its own law, even though it had adopted considerable portions of the all-industry bill. He said that suggested changes should be made in writing. The ultimate decision will not be made until Commissioner Sullivan returns from New York in December. However, Mr. Williams did state that the rating section would have to be ready by Dec. 15 because of the mechanical problem involved in getting the

entire code typewritten for introduction in the legislature early in January.

Blue Cross Hikes Rates

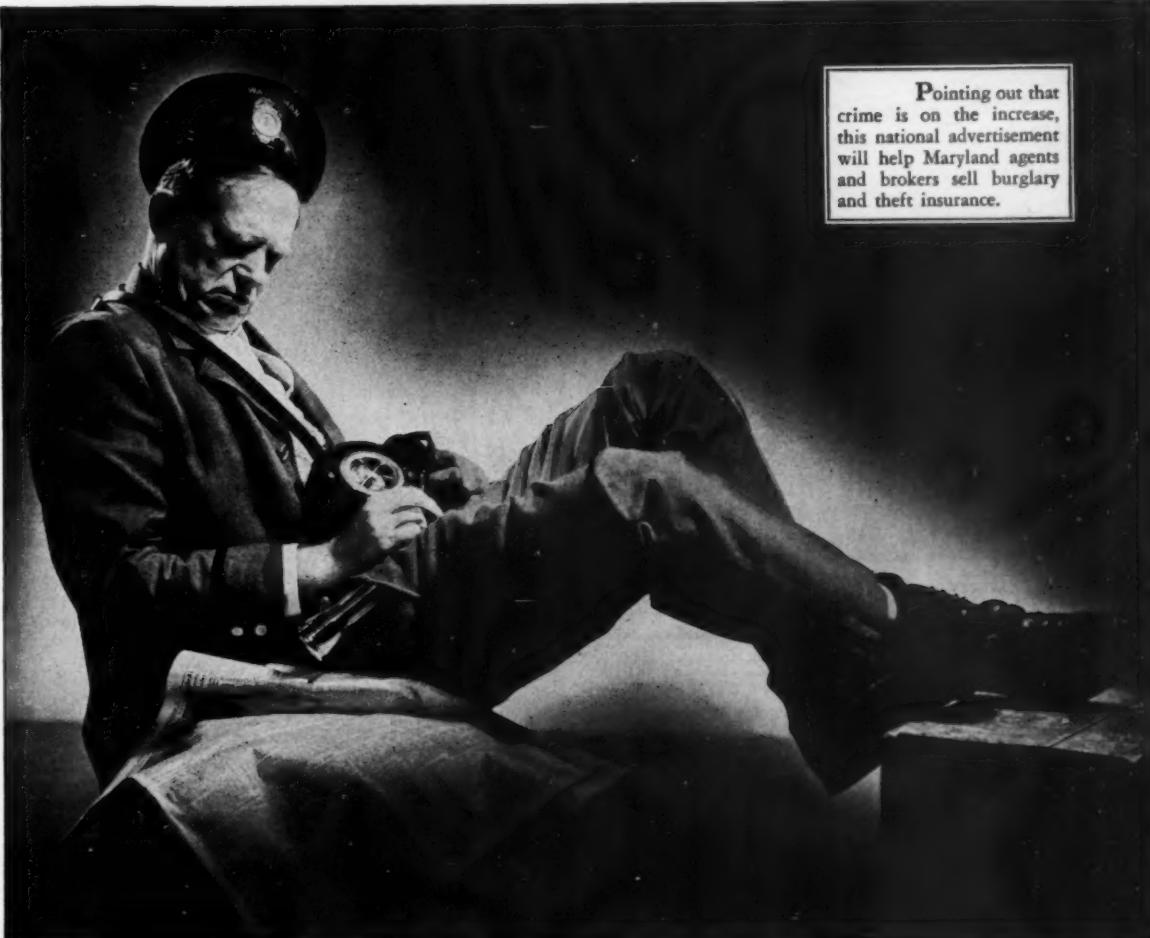
The Chicago Blue Cross Plan for Hospital Care has increased its rates. For a single member only the charge is 90c a month as compared with 80 cents in the past, and for a member and full family protection the premium is \$2.50 a month as compared with \$2. The management states that it has stretched the premium dollar every way possible, but it still won't cover present day costs.

For several months the plan has been absorbing deficits out of reserves and time has come to take steps to preserve an adequate reserve.

Union Automobile Indemnity of Bloomington, Ill., has given a 5% salary increase to all employees who receive \$3,000 a year or less. The company is adjusting its salaries according to a cost of living index.

The Casualty Underwriters Assn. of New Jersey will hold its last luncheon meeting of the year in Newark, Dec. 9.

"Unforeseen events . . . need not change and shape the course of man's affairs"



Pointing out that crime is on the increase, this national advertisement will help Maryland agents and brokers sell burglary and theft insurance.

40 WINKS...@ \$1,000 PER

"WAREHOUSE ROBBED of \$40,000 Worth of Goods"... "Car Hold-Up Nets Thief \$500"... "Another Home Burglarized"...

These are today's headlines. These are the crimes that are costing more than \$1,000,000 each month. Your home or business could be next on the criminal's list. Your possessions... your assets... could be in the loot tonight.

With robberies, thefts and hold-ups increasing daily...with valuables becoming more and more

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Now is the time to see your Maryland agent or broker—to call on his experience in securing ample protection in these hazardous times. Remember: because your Maryland agent knows his business, it's good business for you to know him. Maryland Casualty Company, Baltimore 3, Md.

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Johnny Appleseed (his real name was John Chapman) devoted years of his life to spreading seeds of apple and other fruit trees throughout the middle west. Settlers in the new country blessed his foresight for years as they enjoyed the fruits of his unselfish labor.

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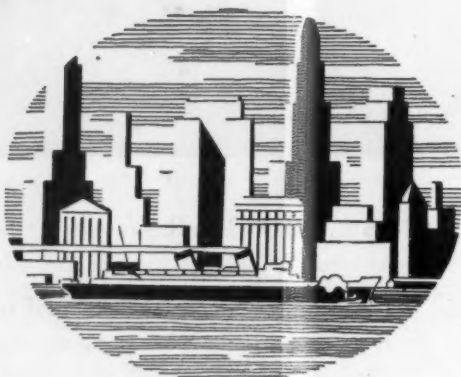
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ACCIDENT AND HEALTH

A. D. Anderson to Texas; Mulligan Occidental Life's Manager at Minneapolis

A. D. Anderson, former manager of Occidental Life in Minneapolis, has left that position to become home office supervisor for Texas. He is succeeded by John Norval Mulligan, former supervisor for Aetna Life.

Mr. Anderson, who is now in San Antonio, left Minneapolis because of illness in his family which necessitated a change to a warmer climate. Since he joined



A. D. ANDERSON

Occidental in 1940, after 15 years of successful sales and supervisory work, Mr. Anderson has become widely known for his ingenious development of ideas. Before becoming Minneapolis manager in August, 1945, he was superintendent of Occidental's accident and sickness sales and during his supervision Occidental's premiums in that field were virtually doubled. Previously he had been for many years with the accident and health department of Continental Casualty.

A native of St. Paul, "Norvy" Mulligan has been with Aetna Life at Minneapolis for 11 years, the last six as supervisor. While with Aetna he was a member of the Leaders Club for nine years and has been an app-a-week producer for eight years. Before entering insurance he was an orchestra leader in the Twin City area.

Utah Insurance Code Revision Work Reviewed

SALT LAKE CITY—At the November meeting of the Utah A. & H. Club, C. N. Ottosen, assistant attorney general, secretary of the interim committee appointed by the 1945 legislature to revise the insurance code, outlined the work of the committee. He told what it hopes to accomplish by way of rearranging the present laws and the introduction of new ones to meet the requirements of public law 15.

The suggestions made at the four public hearings so far held, as far as deemed advisable, will be incorporated into the new code as agreed on by the interim committee. A final report will be made to the governor about Dec. 1, and the proposed insurance code introduced in the 1947 legislature.

Hear Mutual Benefit H. & A. Recordings at Baltimore

The November dinner meeting of the Baltimore Accident & Health Underwriters Assn. attracted 54 members, who heard talks recorded in Omaha by Dr. C. C. Criss, president H. C. Carden, superintendent of agents, and S. C. Car-

roll, vice-president of Mutual Benefit Health & Accident, arranged by C. R. DeWitz, Baltimore manager.

Mr. DeWitz received high compliments from Dr. Criss for his work in the Baltimore branch and reported that over \$60 million of premium income had been received by the companies so far this year.

J. Kowans gave a brief review of his experience at the A. & H. school at Purdue University. He said that prior to taking this course he had been writing on the average six or seven applications per week and since his return from the school this had increased to an average of 21 per week. So far he has secured more than 650 "apps" this year, with more than \$700,000 of paid-for life insurance. Two weeks at this school, Mr. Kowans said, gave him more knowledge than he could have secured in three or four years in the field.

Seattle and Portland A. & H. Clubs Hold Joint Meeting

The members of the Portland (Ore.) Accident & Health Managers Club were the guests of the Seattle club at a joint meeting held in Centralia, Wash., about midway between the two cities with 25 members of the two clubs in attendance.

John E. Barry, manager of Occidental Life at Portland and Walter R. Hoeflin, general agent of Pacific Mutual Life at Seattle, were the principal speakers in a round table discussion of "Public Relations." Dwight Mead, Pacific Mutual, Seattle, acted as master of ceremonies.

E. H. O'Connor, manager and director of the Economics Society, gave a 45 minute talk on "Trends of Social Security." During that part of the meeting the newly elected state senators and representatives of southwestern Washington were in attendance.

A social hour followed the business session.

Newark Christmas Party

The Christmas party of the Accident & Health Underwriters Assn. of Newark will be held at Livingston, N. J., Dec. 17. There will be a dinner, entertainment and dancing. Members and wives will attend.

United Enters Texas

United of Chicago has established its first office in Texas at Dallas and will open district offices in major Texas cities in the near future. E. A. Rees is division manager and J. D. Little his assistant.

Rauwolf Asst. to President

S. Robert Rauwolf, who has been agency director, has become assistant to the president of North American Acci-

Experienced fidelity, surety and burglary underwriter for Chicago home office of large mutual casualty company. Excellent opportunity for a man with necessary experience. Salary open.

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Casualty Special Agent for Indiana, well versed in Casualty, Compensation, Burglary, etc. Excellent opportunity for qualified representative in a growing organization. State age, experience and location of residence. Address J-35, The National Underwriter, 175 W. Jackson Blvd., Chicago 4, Illinois.

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dent. He has spent his entire business career in the home office of North American, having begun his association with the company 23 years ago. He has been in charge of the public relations program and agency development work.

"Counsellor" Is Agent

TORONTO—Superintendent Whitehead of Ontario has issued a warning to Ontario citizens that American Farmers of Phoenix, Ariz., has no license to solicit insurance in the province.

Mr. Whitehead stated he had received inquiries concerning the company. The report is that it has been advertising in Ontario newspapers for representatives to be known as "membership counsellors."

Anyone using the company forms given such "counsellors" to solicit membership would be acting as an insurance agent and would be guilty of an offense under the insurance act, Mr. Whitehead said.

Frederick A. Stockton has been appointed San Diego representative of the W. E. Leiby general agency of Massachusetts Indemnity, Los Angeles.

North American Life & Casualty has been licensed in Iowa.

CHANGES

Lucy & McNiece Agency Named by Maryland

Maryland Casualty has appointed Lucy & McNiece, Baltimore, general agent for fidelity and surety bonds. The new agency succeeds the James J. Lucy agency, which has been general agent for Maryland since 1937.

Both Mr. Lucy and Mr. McNiece have been engaged in the surety business for over 25 years. Mr. Lucy joined American Surety in 1912. He resigned in 1928 to become manager of the contract bond department at New York for Maryland Casualty. In 1937 he formed his own agency.

Mr. McNiece started with National Surety in 1921. He was with other companies until 1935 when he joined Maryland, becoming manager of the contract bond department at New York in 1937.

Luman Williams Named to Higher Hartford A. & I. Post

Luman E. Williams has been promoted to assistant superintendent of the bond department for Hartford Accident at Chicago. He has been in that department about 10 years. He has just been nominated for secretary of the Surety Assn. of Chicago. The announcement was made by Vice-president George H. Moloney at a luncheon for executives and department heads of the western department of Hartford Accident at Chicago Monday.

United Pacific L. A. Shifts

United Pacific has made several changes in its Los Angeles office. Morris Brown, assistant secretary and manager of the bonding department, has been transferred to the home office. Allen Moss, head of the surety department at the home office, becomes manager of the surety department at Los Angeles. W. J. Hall, formerly with Charles, Keith & Rivers, has been appointed assistant to Mr. Moss.

American Surety Field Man

American Surety has appointed Robert J. Huntsberger as special agent for the Los Angeles area. He has been with the Fidelity & Deposit in Los Angeles.

Simmons Joins Braun Agency

Paul J. Simmons, until recently acting manager of the Pennsylvania Casualty office in Chicago, has joined the

Braun agency, Chicago, as secretary and member of the firm in charge of casualty underwriting.

Mr. Simmons has had 25 years casualty experience, starting with Travelers at Chicago and becoming assistant manager for casualty and surety lines. He then joined Maryland Casualty and became assistant manager. After that he was with Royal Indemnity and opened the general casualty department at Chicago for American Automobile. He then joined Pennsylvania Casualty and took charge when the manager resigned, serving also as superintendent

of the casualty department. He resigned when that company was taken over by Manufacturers Casualty.

Join U. S. F. & G. in Los Angeles

Serge Ballif and Ray K. Friend, formerly with the southern California office of the Eagle-Globe-Royal group, have joined the underwriting department of U. S. F. & G. in Los Angeles.

J. C. L. Ryan of Lumbermens Mutual Casualty conducted the insurance question and answer forum at the American Institute of Laundering refresher course for managers at Joliet last week.

COMPANIES

Project Standard Casualty as Running Mate of Standard Reliance of Neb.

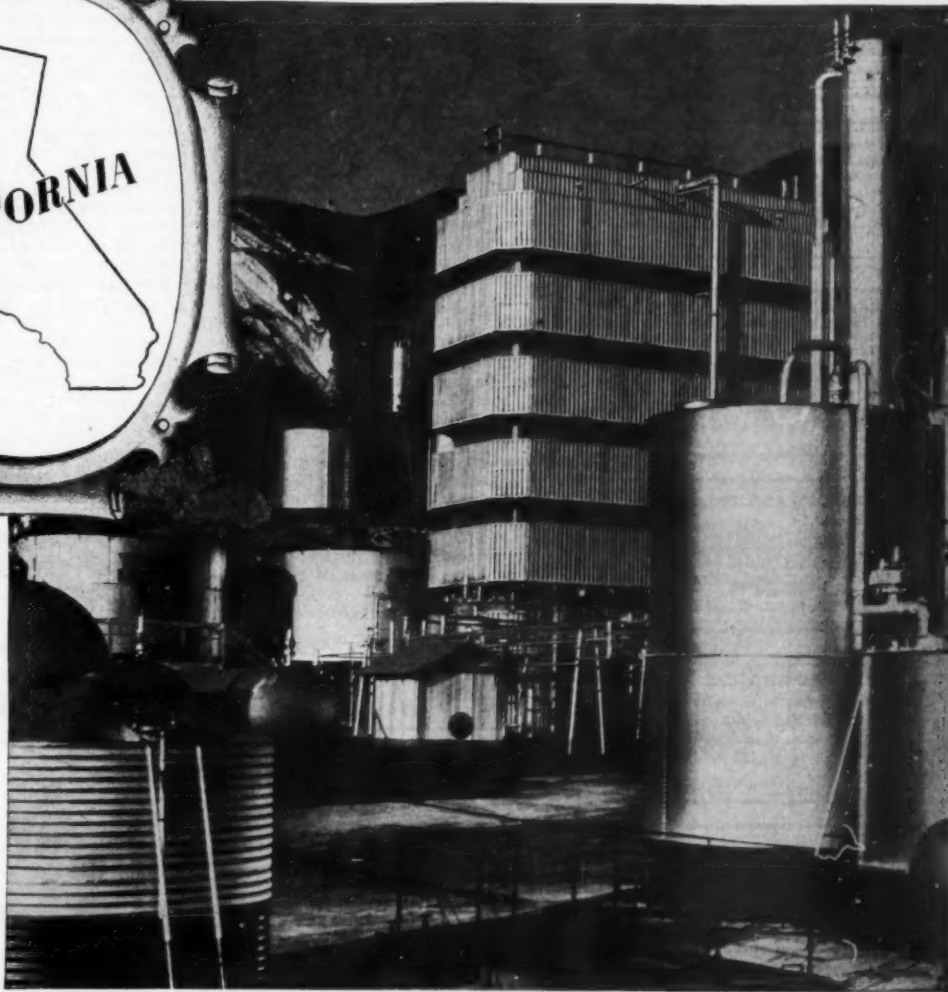
LINCOLN, NEB.—Steps have been taken by the management of Standard Reliance, 50-year old mutual fire company here, to organize a casualty affiliate to be known as Standard Casualty. Projected capital-surplus is \$425,000.

O. D. Trombla, secretary of Standard

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Compensation and Liability underwriter. Splendid opportunity for experienced underwriter in home office of large Chicago Casualty company. Address H-97, The National Underwriter, 175 W. Jackson Blvd., Chicago 4, Illinois.

Large midwestern mutual casualty company wants special agent with combination accident, health and group experience for midwest, eastern and western territories. Excellent opportunity for aggressive man. Address J-7, The National Underwriter, 175 W. Jackson Blvd., Chicago 4, Illinois.

CASUALTY UNDERWRITER

Somewhere there is a young underwriter well trained in auto and general casualty who is ready for promotion. We want that man to head our underwriting department. We are comparatively small (a million in premiums) but growing rapidly. Excellent opportunity in Indiana. State full details. Address J-23, The National Underwriter, 175 W. Jackson Blvd., Chicago 4, Illinois.

CASUALTY ACCOUNTANT

Excellent opening for a young casualty accountant, trained and ready to assume management of accounting department. Moderately small but fast growing Indiana company. This is no ordinary opportunity! Give full details. Address J-24, The National Underwriter, 175 W. Jackson Blvd., Chicago 4, Illinois.

ACCIDENT & HEALTH AGENT AVAILABLE

Several years experience in selling individual and group accident and health and hospitalization and in training new agents. Address J-41, The National Underwriter, 175 W. Jackson Blvd., Chicago 4, Illinois.

WANTED

SALESMAN

Experienced automobile casualty and fire representative for midwestern branch office of two growing companies, supervision of three states with headquarters at Topeka, Kansas. Car furnished. Address J-37, The National Underwriter, 175 W. Jackson Blvd., Chicago 4, Illinois.

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Young man with general casualty underwriting experience in Chicago branch of large insurance company. Excellent opportunity. State age, education and experience. Address J-35, The National Underwriter, 175 W. Jackson Blvd., Chicago 4, Illinois.

BOND UNDERWRITER AVAILABLE

Experienced in all phases fidelity, surety, burglary, indemnity and production, both home and branch office. Member of Illinois bar. Desires position in Chicago area as branch manager, assistant manager or special agent with good company. Address J-46, The National Underwriter, 175 W. Jackson Blvd., Chicago 4, Ill.

Reliance, declares that there is presently no Nebraska-owned stock or mutual casualty company writing a full line of casualty insurance, and he expressed the belief a need and opportunity exists for such a company.

The stock will be offered first to the agents of Standard Reliance. The new company will share offices with Standard Reliance and the personnel of the two companies will be almost identical.

Central Surety to Assume Omnibus Writing Powers

A special meeting of stockholders has been called by Central Surety for Dec. 3 to vote on amending the charter to permit the writing of all types of insurance except life and annuities. This is in conformity with the recent Missouri statute permitting multiple line underwriting in the state.

United Insurers, Denver reciprocal, has been licensed to write burglary, theft and automobile liability in Oklahoma.

PERSONALS

Edward A. Russell of Cincinnati, associate manager of Employers Liability and former professor at the University of Cincinnati, addressed the Bluefield, W. Va., Rotary Club on "Romance of Insurance."

Raymond Walsh of the fidelity bond division at Chicago has completed 25 years with U. S. & G. The head office presented him with a pair of handsome candlesticks and the Chicago office made him a gift of luggage.

Dan Pagenta, manager of the Panama Canal Zone office of the Colonial of Los Angeles, is a visitor at the home office.

Russell Root, Republican aspirant with organization backing, to mayor of Chicago, was formerly in the legal department of U. S. F. & G. at Chicago. He joined the company in 1922 in the claim section and shortly thereafter was transferred to the legal department. He was with U. S. F. & G. for eight years and then became an assistant state's attorney.

DEATHS

J. Herbert Snyder, 59, manager of Kentucky Hospital Service Assn., died of a heart attack in his home in Louisville. Mr. Snyder was formerly with Kentucky Home Mutual Life, Minnesota Mutual, Provident Life, and Commonwealth Life.

Harold D. Foster, general agent for Lutheran Brotherhood at Harrisburg, Pa., died recently from a heart attack. He had been general agent there since 1932 and had built one of the largest eastern agencies for Lutheran Brotherhood.

Mr. Foster was a son-in-law of the late C. H. Boyer and was associated with Mr. Boyer when the latter was vice-president in charge of the accident and health department of the old National Life, U. S. A., Chicago. Mrs. C. H. Boyer has made her home with the Fosters in late years.

Mr. Foster, for the past four years, was secretary of the Brotherhood of United Lutheran Church in America and was recently elected first vice-president. He was chairman of the United Lutheran Boy Scout committee.

Freeman P. Davis of Glendale, Cal., former manager of casualty lines for Travelers at Indianapolis and Cincinnati, died in Hartford last week where he had just completed the home office school for agents. Mr. Davis, who was pensioned by Travelers because of illness in 1942, joined Travelers in 1919 as special agent and served at Detroit, at Los Angeles as assistant manager and in 1929 was transferred as manager to

Indianapolis. He later transferred as manager to Cincinnati and completed service in Des Moines.

Anxious to remain in the business, Mr. Davis came to the school in Hartford prior to rejoining Travelers as an agent. He was stricken with coronary occlusion. He was a native of Gloucester, Mass.

P. L., P. D. Hike Through in Va. Despite Opposition

RICHMOND—Increase in automobile public liability by about 10% and of property damage rates by around 33% in Virginia have been authorized by the corporation commission. The new rates, which are effective Dec. 16, are about what the companies asked. Four companies whose rates are 20 to 25% below the others were excepted. The commission said these companies will have until Dec. 15 to file applications to abandon, modify or change their deviations. The increases authorized are applicable only to passenger cars.

The order granting the increases brought the disclosure that Commissioner C. F. Joyner of the state division of motor vehicles had opposed them declaring in a letter to the commission that the public would charge the state with working with the insurance companies. He insisted that present rates were sufficient to afford them proper returns. The commission explained that it had offered to reopen the hearing to permit him to testify, but the offer had been declined.

Opposition to the increases also came from G. A. Peery, statistician of the Virginia department. He filed a memorandum citing the size of company profits. He admitted, however, that wide increases were necessary to care for the greater property damage resulting from heavier traffic. Actually, the increases are higher in some instances than those asked by the companies.

F. E. Smith Is Secretary Assoc. Medical Care Plans

At a meeting of the commission of Associated Medical Care Plans at the American Medical Assn. headquarters in Chicago, Frank E. Smith, former manager of the department of professional relations of California Physicians Service, was named full-time executive secretary of that recently created medical association subsidiary. Mr. Smith and his staff will maintain their offices in the Chicago headquarters.

Michigan Rates Up 1/2%

LANCING, MICH.—Commissioner Forbes, as ex-officio chairman of the rates and classifications committee of the Michigan Workmen's Compensation Rating Bureau, announced 1942 rating schedules as fixed at the bureau's annual meeting in Detroit. The average rate for all classifications is to be increased only 1/2%, indicating that prevailing rates have closely approximated experience.

Reductions were ordered in 78 classifications, increases in 71, and 69 classifications will remain unchanged. No increase in any classification exceeds 25%, the commissioner said, nor does any reduction exceed that percentage. Chief increases are in the metal working trades and in mills, where experience has been relatively bad.

Tells Adjusters Crime Facts

LOS ANGELES—The Casualty Insurance Adjusters Assn. of Southern California heard Superior Judge W. R. McKay state that the cost of crime to the U. S. is \$14 billion per year and that 2 million persons live by crime. He said crime due to boys and girls showed an increase of 49.6% this year and that 22% of those in prisons today are veterans of the second world war.



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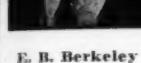
INSURANCE NEWS BY SECTIONS

MIDDLE WESTERN STATES

Ohio Sixth District Elects; Berkeley Reviews Regulation

BOWLING GREEN, O.—At the sixth district meeting of the Ohio Assn. of Insurance Agents, new officers were elected: Tom Bartlett, North Baltimore, president; Ernest L. Read, Tiffin, vice-president; Fred Potts, Gibsonburg, secretary, reelected. The local committee which arranged the meeting was composed of Guy M. Nearing, Tom C. Wooden, Frank E. Huber and Kenneth Harger.

E. B. Berkeley, Cleveland, past president of the Ohio association, discussing the rating bill situation, reviewed the remarks of Messrs. Gorman and Berge in their recent public utterance and commented on the answers to questions propounded at the American Bar Assn. insurance meeting.



"We have all lived under existing state regulation," Mr. Berkeley said. "In general, the public has been protected, agents and companies have prospered, but certainly not excessively. Enforcements and regulation have been improving and expanding and insurance departments are much better qualified than they were in the early days of state regulation. We have a chance to live up to the reputation of being alert to the public good—whether company or agent—and if we are to stave off another wave of state or federal collectivism, we must do a good job."

H. S. Boynton, Toledo, vice-president of the Ohio association; Harold S. Bowen, Norwalk, district trustee, and T. M. Gray, Columbus, state secretary, took part in a panel discussion of the accomplishments of the state and National associations.

EIGHTH DISTRICT MEETING

The eighth district of the Ohio Assn. of Insurance Agents met at Alliance under the auspices of the insurance division of the Alliance Chamber of Commerce. John E. Bay, president, reported that more than 80 agents attended the meeting, the largest delegation coming from Canton. Speakers were J. F. Van Vechten, Akron, state national director for Ohio; H. R. Underwood, Providence Washington, Columbus; C. E. Curtis, Leroy, counsel for Ohio Farmers; L. T. Powell, Mansfield, district trustee, and Theodore M. Gray, Columbus, secretary of the Ohio association. Mr. Curtis spoke on rating bills and he and Mr. Van Vechten conducted a forum discussion. Mr. Underwood discussed business interruption coverages.

These officers were elected: George E. Westenberger, W. C. Myers Co., Wooster, president; Fred Brode, Webb-Brode Co., Canton, vice-president; David Romig, Uhrichsville, secretary.

Minnesota Association Committee Chairmen Named

MINNEAPOLIS—President George Thompson of the Minnesota Assn. of Insurance Agents has named the following standing committee heads for the coming year: Agents' qualification

and license law, Arthur Hirman, Rochester; conference, George V. Fevig, Moorhead; education, Don B. Clark, Winona; farm and small town agents, Brad Strom, Jackson; finance, Clifford E. Gesme, Benson; fire and accident prevention, George R. Teeson, Alexandria; legislation, Armand Harris, St. Paul; sub-legislative advisory, Leroy Engberg, St. Paul; membership, Henry Olson, Virginia; regional activities, Paul M. Odegaard, Northfield.

Buyers to Hear Johnson

MINNEAPOLIS — Commissioner Johnson will address the first fall meeting of the Insurance Buyers Assn. of Minnesota here Nov. 25.

Defer St. Paul Meeting

ST. PAUL—In order to hear a talk by Commissioner Johnson on insurance legislation, the quarterly meeting of the Insurance Agents Assn. of St. Paul which was to have been held Dec. 4 has been deferred to Dec. 18. It will be a dinner meeting.

Farwell in Ill. Field

Cyril Farwell has joined Atlantic Mutual and will operate as special representative in Illinois outside of Cook county. He is presently at the New York head office receiving some preliminary training. For the past 12 years he has been with Lumbermens Mutual Casualty.

Kenna Visits Wichita

Alpha H. Kenna, new executive manager of the Kansas Assn. of Insurance Agents, met with a group of Wichita association officers and members at luncheon to get acquainted. He had been the Armistice Day speaker at an American Legion meeting in Wellington the previous day.

Hamilton in Milwaukee

MILWAUKEE—W. W. Hamilton, manager Chicago Board, spoke on "Burned Offerings—Lives, Homes, Jobs," at the first session of the 1946 industrial plant protection and fire prevention school sponsored by the safety division of the Milwaukee Assn. of Commerce. A film, "How Fires Start in Industries," was shown. Three more Monday night sessions will be held.

Confer C.P.C.U. at Cleveland

C.P.C.U. degrees were conferred at Cleveland Tuesday to Ohioans who completed the examination in June. Dr. Harry J. Loman, dean of the American Institute, made the presentation.

\$300,000 Factory Fire in Kansas

Another Kansas industrial plant was destroyed by fire this month when the Mode o' Day Corp. dress factory at Chanute burned Nov. 11 from undetermined cause with a loss of some \$300,000. Included in the loss were 126 power sewing machines, cotton and rayon piece goods and stock in process.

Grand Ledge Agents Elect

GRAND LEDGE, MICH.—Harry O. Culp has been elected president of the Grand Ledge Assn. of Insurance Agents. J. Riley Oles is vice-president and Fred Leuthjohann secretary-treasurer.

Award Fire Prevention Prizes

October and November meetings of the Hutchinson (Kan.) Assn. of Insurance Agents were in charge of the fire prevention committee headed by Wil-

liam Kline of the Thompson-Kline agency. Students from the schools who had won Fire Prevention Week contests in speeches, posters and essays were honored guests and were presented cash prizes in a joint project with the Hutchinson Chamber of Commerce.

Gilchrist N. W. Mutual Special

Northwestern Mutual Fire has appointed Edward W. Gilchrist special agent for eastern Missouri and southern Illinois, with headquarters in St. Louis. Recently returned from four years' naval service, he was originally with Northwestern's Kansas City office and was later transferred to Chicago.

Organize in Green County, Wis.

MONROE, WIS.—Preliminary organization of the Green County Assn. of Insurance Agents was completed at a meeting here of local agents from Monroe, Brodhead, New Glarus and Monticello. Urban Krier, state association executive secretary, attended. Officers will be elected at the next meeting.

Ohio Insurance Legislators

Insurance will be well represented in the Ohio legislature. In the senate will be Tom V. Moorehead of Zanesville, who has served one term, and Fred L. Adams, Bowling Green, who has served five terms and is chairman of the senate insurance committee. Raymond Burke of Hamilton, who was in the senate the last term, has been elected to Congress from the third Ohio district. In the House will be J. Frank McClure, Loudonville; W. M. Warner, Georgetown, both reelected;

J. Harry Asmann, Cincinnati, who has served five terms and was chairman of the house insurance committee; Fred A. Hunt, Toledo; Thomas P. Reid, Eaton; John H. Kowalk, Clyde.

Opens Detroit Local Agency

Joseph H. Finnegan, former special agent for National Surety and Century Indemnity at Detroit, has opened his own local agency in the Majestic building there.

NEWS BRIEFS

County Judge S. F. Armbruster of Stanton, Neb., who has served on the bench there for 9½ years, has resigned to devote all his time to his local agency.

Ralph E. Coffin, vice-president and director of business development of Agents Finance Co. of Indianapolis, spoke on "Automobile Clubs and Their Place in the Insurance Business," at the Nov. 21 meeting of the South Bend-Mishawaka Assn. of Insurance Agents.

W. N. Dickson of Marsh & McLennan is chairman of the Minneapolis committee to raise funds for the Sister Elizabeth Kenny foundation which conducts an infantile paralysis clinic in Minneapolis. Jack Hanstein, local agent, is co-chairman in St. Paul.

The Wichita Assn. of Insurance Women held a "question and answer" program on general insurance at the Nov. 20 dinner meeting, led by Marie Cowan of the Cook & Culver agency. President Gertrude Garvey named committees for the Christmas party.

The dinner meeting of the Insurance Women of Akron Nov. 20 was a mother and daughter occasion. Ed. Vetter, manager of the Portage Country Club, gave an illustrated lecture on Switzerland.

IN THE SOUTHERN STATES

T. N. Parker Named Counsel for Virginia Association

RICHMOND — T. Nelson Parker, well-known Richmond lawyer, has been retained as counsel for the Virginia Assn. of Insurance Agents. He will represent it at hearings before the state corporation commission and before committees of the legislature, as well as in other legal capacities whenever his services as such may be needed.

Mr. Parker is a former state attorney for the OPA. He also served as regional attorney for it for a time. In 1944-45 he was attached to the office of the governor of Virginia on a part-time basis as attorney. Since then he has given his full time to private practice, which has consisted principally in appearance before various governmental agencies, both state and federal.

The legislative committee of the Virginia association met here for a general discussion of what legislation will be necessary to bring the insurance laws of Virginia into compliance with public law 15. Co-chairmen of the legislative committee are W. Owen Wilson and Warren F. Curtis, both of Richmond.

Va. Denies North America Installment Petition

Petition of North America and its two affiliates to write fire business in Virginia on the installment premium plan has been denied by the corporation commission. In rejecting the proposal, the commission held North America had failed to demonstrate that it is "fair, reasonable and adequate". The proposal was rejected without prejudice, the commission stating that the company might file a similar plan for reconsideration.

The proposal of North America was

opposed by the Virginia Assn. of Insurance Agents at the hearing held before the commission several months ago. Since then the matter had been under advisement. The association took the position that there was no need for a change in the present system of premium payments.

Regional at Stillwater, Okla.

The Oklahoma Assn. of Insurance Agents has scheduled a regional conference for Dec. 6 at Stillwater. A meeting of the executive committee will be held in the morning and the speaking program in the afternoon.

Speakers include G. M. Landes, Tulsa, recently appointed chairman of the committee on public law 15, who will talk on that subject, and Guy L. Smith, Oklahoma City, adjuster for Maryland Casualty, who will discuss "Loss Adjustment." Commissioner Dickey of Oklahoma also has been asked to speak.

Grant Va. Rate Reductions

The Virginia corporation commission has granted a rate reduction in explosion, riot and civil commotion and earthquake, requested by the Virginia Insurance Rating Bureau, without a public hearing.

Draft Tenn. Legislative Plans

NASHVILLE—The directors of the Tennessee Assn. of Insurance Agents will meet here Dec. 6 to prepare its legislative program for the session which convenes Jan. 5.

State Self-Insurance Criticized

MEMPHIS, TENN. — The "Press-Scimitar" editorially criticized the University of Mississippi because a \$100,000

loss to its laundry last week was totally uninsured, the state of Mississippi depending on self-insurance. Destroyed in the fire with no insurance were 300 or 400 items of clothing belonging to students and 4,000 bundles of laundry with about 50% damage.

Represents Brundick & Bowles

George H. Brussel has been named special agent for the Florida west coast by the Brundick & Bowles general agency at Jacksonville. He will office in Tampa. Mr. Brussel has been inland marine special agent for North British in seven southern states for a number of years.

Three Va. December Meetings

Three regional meetings of the Virginia Assn. of Insurance Agents are slated to be held early in December. One will be held in Newport News, Dec. 3, and one in Norfolk the following day. The third will be held Dec. 5 in

Petersburg. Non-member agents as well as member agents and office forces in the respective areas are being invited to attend. Meetings recently were held in Lynchburg, Wytheville and Bristol.

San Antonio Agency Change

Chas. F. C. Ladd has bought a half interest in the Piper & Stiles agency, San Antonio, and the firm name now is Piper, Stiles & Ladd. Mr. Ladd, educated as an attorney, entered insurance work in 1933 as an adjuster with the Texas General Agency, where he remained until 1941. For a short time he was with the Walter S. Grothaus agency, leaving to enter the navy. He was placed on inactive status in 1945 with the rank of lieutenant commander. The past year he has been in South America.

The Insurance Women's Club of Oklahoma City had an attendance of 76 at a meeting at which C. A. Payne of the C. L. Frates agency, discussed "Underwriting Automobile Risks."

EASTERN STATES ACTIVITIES

Broaden Extended Coverage in N. H.

CONCORD—The New Hampshire Board of Underwriters has eliminated the exclusion of metal smokestacks from the windstorm section of the extended coverage endorsement. This property may now be covered against windstorm and hail without additional premium or special endorsement.

The announcement, over the signature of Secretary A. C. Hudson, stated that the form will be reprinted in the near future, with the reference to metal smokestacks dropped and that manual pages referring to the old exclusion will be revised. New Hampshire is the first state to make such a change.

Stockholders Sue Officers of Mutual Fire of Germantown

Officers of Mutual Fire of Germantown, Pa., have been named as defendants in a suit filed by two stockholders in federal court at Philadelphia, and are charged with violation of the securities and exchange act in company stock transactions. The two stockholders have asked that the court appoint a receiver for the company.

The suit charges that Arthur O. Rosenlund, chairman, acquired 17,500 shares of common stock without investment of a penny of his own money, and that he was made chairman at \$25,000 a year, despite a \$12,000 limit on salaries of officers.

The attorney for the complaining stockholders declared that in 1941 efforts were made to liquidate the company and distribute its \$3,416,481 surplus to policyholders, but the Pennsylvania department ruled such distribution by a mutual company to be illegal.

Stock Company Proposed

Mr. Rosenlund is said to have suggested converting Mutual Fire into a stock company and persuaded policyholders to assign him the right to acquire stock in a new company, to be known as Germantown Fire. It is alleged that Mr. Rosenlund acquired enough assignments to purchase 17,500 shares, although policyholders were told that no individual would be eligible for more than 1,000 shares. It is charged that Mr. Rosenlund borrowed \$350,000 from the First National bank at Philadelphia, depositing the shares as collateral, and thus making no personal investment. The remaining 50,000 shares were sold to former directors at \$20 per share and are now worth \$85 apiece, the complaint charges.

The brokerage firm of Bioren & Co.

handled the stock sales and has been named as a defendant.

Credit Men Hear Eubank

Frank D. Eubank, director of education of Royal-Liverpool, addressed the Triple Cities Assn. of Credit Men at Endicott, N. Y., on "Insurance Improves Its Service to Policyholders."

N. J. Educational Course

NEWARK—The New Jersey Assn. of Insurance Agents is sponsoring a course in basic principles of insurance for those interested in obtaining brokers', agents' and solicitors' licenses in New Jersey.

The course will start on Dec. 2. It has been approved by the veterans administration for G.I. training.

New Norfolk & Dedham Officials

George S. Goldthwaite has been elected secretary of Norfolk & Dedham Mutual Fire to succeed the late Ralph H. Westgate. William L. Hitchcock, assistant treasurer, was elected assistant secretary.

Mr. Goldthwaite started in fire insurance in 1923 with the Mutual Fire Inspection Bureau of New England and became connected with Norfolk & Dedham in 1940. He was elected assistant secretary in 1944. Mr. Hitchcock became affiliated with Norfolk & Dedham in 1937.

Insurance Square Club Elects

NEWARK—The new officers of the Insurance Square Club of New Jersey are: President, Joseph Sorge, Caledonian; vice-presidents, Joseph Peschel, Maryland Casualty, and N. Kritzer, Fidelity & Guaranty Fire; treasurer, P. Brill, and secretary, Fred Pye, both of the Fire Insurance Rating Organization.

Travelers New Hartford Branch

New offices for the Hartford branch were opened this week by Travelers. The office will occupy four floors of a six-story building at 163 Asylum street. It formerly was in one of the home office buildings.

NEWS BRIEFS

Charles J. Schoen, Mt. Vernon, N. Y., agent, addressed the Richmond County Assn. of Local Agents on the bank-agent auto plan.

Alfred E. Walsh, formerly chief adjuster for Johnson & Higgins in New York, has opened an office as a public adjuster at 39 Broadway, New York City.

The Insurance Women of New Jersey at a dinner meeting at Newark, Thursday, Nov. 21, will hear a talk on personal property floater by Charles Kirkland of American. Mary Specht is chairman of the program meeting.

PACIFIC COAST AND MOUNTAIN

Wash. Agents Want Ability to Meet Participating Rates

SEATTLE—The Washington Assn. of Insurance Agents executive committee at a meeting here adopted a resolution by unanimous vote urging that the rating chapter of the proposed Washington insurance code be amended as respects all lines except fire to permit any company to file a deviation to meet the net rate of a participating company. All local board presidents, who also attended the meeting, were asked to advocate the change at the general hearings on the code which the Washington department is conducting in key cities of the state.

Would Tie Hands of Agents

The proposal was put to the executive committee by Stuart G. Thompson, chairman of the code committee of the Northwest General Agents Association, who the day previous had led the fight on the present chapter in the public hearing at Seattle. Mr. Thompson said the effect of the law as now written would be to tie the hands of the agents while the non-agency mutuals raided their business.

The executive committee also heard a detailed report from Virgil R. Lee of Chehalis on the meeting of the N.A.I.A. executive committee in New York.

H. P. Sargent led a discussion of the changes in the code which had been agreed upon at the hearings in Seattle. He urged that agents in the cities where hearings are being held attend and voice their views.

Stone to Address Dinner Meeting in Denver Nov. 25

DENVER—E. C. Stone, U. S. general manager of the Employers group, will address a dinner meeting here Nov. 25, sponsored by the Colorado Assn. of Insurance Agents for discussion of the effect of public law 15, the all-industry bills and proposed rate regulatory laws. The importance of seeing to it that the legislature enacts in 1947 the legislation necessary to continue the state control of insurance and the preservation of the American agency system will be stressed.

Mr. Stone's address will be followed by an open forum in which all agents present will take part. Present at the dinner will be Commissioner Kavanaugh, other state officials, company managers, state and special agents and general agents.

Arapahoe Club Honors Sommers; Simpson "Chief"

SAN FRANCISCO—Paul B. Sommers, president of American, was guest of honor at a special luncheon tendered him by the Arapahoe Club, membership of which consists of "old-timers" from Denver who are located in California. Mr. Sommers was one of the group many years ago and ranks with the full-fledged members.

Vitt, Duncan, Miller Are Guests

Other special guests included B. C. Vitt, vice-president of American, accompanying Mr. Sommers on his coast visit; E. Tate Duncan of Denver, an uncle of William M. Houston, coast manager of Fire Association, and W. B. Miller, manager of American.

The club elected H. L. Simpson, retired manager of the Phoenix-Connecticut group, "chief" to succeed the late William Deans; F. M. Avery, retired manager of Fire Association, "medicine man," which means vice-president, and William M. Houston, "keeper of the

head dress," a new name for the secretary's old title of "scribe."

The club, which meets once a year on special call, was organized by Mr. Simpson and Mr. Avery in 1919. Mr. Deans has been chief since its inception and Mr. Simpson "scribe."

John D. Boyle Co. Is Making Expansion Moves

SAN FRANCISCO—Expansion of facilities and personnel to meet the increasing volume of business the organization is enjoying, is announced by John D. Boyle, head of the John D. Boyle general agency with offices here and at Los Angeles.

Pace W. Bartlett, who started as a local agent at Los Angeles, later serving as an all-risk special agent in southern California, has been appointed manager of the all-risk department in the agency. He has also had special training in fire insurance.

The general agency writes fire and allied lines, with the exception of auto mobile. Its premium volume has passed the \$1½ million mark annually, of which the largest part is on dwellings. It takes pride in its low loss ratio. The agency recently set up a special department to handle personal property floater risks.

Companies represented include New Brunswick, Northwestern Fire & Marine, Federal Union, and Central Union.

George E. Madding, vice-president in charge of production, who divides his time between San Francisco and Los Angeles, was formerly assistant manager in the Pacific department of Boston and Old Colony. Field Thompson, assistant general agent in charge of southern California, is a former hall-back of University of Southern California and was later assistant coach at Denver. Mr. Thompson was one of the stars in the last U.S.C.-Notre Dame game.

Two of the newer men in the organization are John Lane, special agent, who served as a lieutenant in the navy, and Donald Hansen, a lieutenant in the army who served in the tank corps.

Assistant general agent in San Francisco is Gordon Merrill in charge of northern California operations. Norman Garden and Robert Noble are northern California special agents and Jack Baumgardner is chief underwriter.

Joint Los Angeles Meeting

LOS ANGELES—Federal Judge Pierson Hall told the Insurance Assn. of Los Angeles and the Insurance Forum of Los Angeles some of his experiences as a member of the reparations commission sent to Japan.

Rees Roston gave a short talk on the C.P.C.U. and urged that agents and brokers take up the course.

Eugene Battles, chairman of the committee of five producers' associations that participated in writing the rate regulatory bill that was offered to the legislative interim committee, spoke on the bill.

Disability Law Discussed

J. A. Stringfellow, manager of the group and pension department of Aetna Casualty at Oakland, discussed the provisions of the new California unemployment disability benefit law, which goes into effect Dec. 1, at a meeting of the Oakland Assn. of Insurance Agents.

Reviews Cartwright Act

SAN FRANCISCO—Bert W. Levitt, general counsel of the Pacific Board, discussed phases of the Cartwright act—California's "little Sherman anti-trust" act—before the Fire Underwriters Forum of the Pacific. In the Xum Speegle case, the California supreme court recently revived the act, which had previously been declared unconstitutional.

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national. The court held that some portions of that act are still in effect, upholding all California business and industry and resulting in joint action by business interests with the board in seeking a rehearing. His subject was: "Is Insurance Business Legitimate?"

Benkie with Rosendahl

George J. Benkie, for several years special agent of Yorkshire and Seaboard in San Francisco, before the companies went on a general agency basis, has been appointed manager of the fire department of the Ray Rosendahl general agency. He succeeds Ralph B. Rogers, who has gone into the brokerage business in San Francisco.

L. A. Brokers Board Nominees

LOS ANGELES—At a meeting of the Los Angeles district of the Insurance Brokers Exchange of California the nominating committee presented these names for the executive board, which will name the chairman and secretary: E. L. Stevenson, D. D. Bolton, F. J. Ryan, R. H. Dudley, R. E. Walker, F. J. Traugbher and R. H. Jenkins.

Gordon Allen, California-Western States Life, and Harry Adams, Industrial Indemnity, talked on the California unemployment disability benefit fund, and outlined what the private carriers are doing to compete with the fund.

President Allen T. Archer of the National Assn. of Insurance Brokers spoke briefly. President Harvey T. Kindt, Joseph Miller, first vice-president, and Jack Burke, second vice-president of the state organization, all of San Francisco, were in attendance.

Golf Tourney at Long Beach

LONG BEACH, CAL.—The Long Beach Insurance Assn. held its most successful and largest golf tournament with 336 company men and local agents attending. A floor show following the dinner was one of the features.

The Insurance Women of Denver held their monthly meeting Nov. 18 when Dean A. Stone, of National Surety, spoke on "Present Trends in Casualty Insurance." President A. Dorothy Palm was in charge. The annual dance will be held Nov. 23.

MARINE

Appleton & Cox Has New Richmond Unit; Busbee Head

Appleton & Cox has opened a branch office in the American building, Richmond, to serve Virginia and in charge of Simons G. Busbee, state agent. Mr. Busbee, whose father is president of Atlantic Fire of Raleigh, started with that company in 1926, and in 1929,

Contact Lens Cover Is Old Story to Fire Assn.

"The National Underwriter," it turns out, was mistaken in crediting in a recent edition, a New York agency with originating a form of all risk policy for contact lenses. Fire Assn. for at least three years has been issuing such a contract. Its premium is \$. Most of these lenses cost about \$100. Fire Assn. has had a good experience on this line although it has paid a number of losses. Most of the crackups occur when the lens is dropped to the bathroom floor when the user is either putting it in or taking it out. There have been no losses due to the lens being broken by a blow while it is in place. Some agents and brokers have been successful in cultivating the special optometrists that handle these lenses and getting the names of users from them.

became inland marine special agent for the nine southeastern states for Phoenix of Hartford. In 1934, he joined Commercial Union at Cleveland, where he served as underwriter and special agent. He joined Appleton & Cox in September.

Ralph W. Galbraith has been appointed by Appleton & Cox as special agent at Kansas City. He will be associated with Fred M. Kafer, state agent, and for the time being will operate in Nebraska, Iowa, Kansas and Missouri.

Mr. Galbraith joined Appleton & Cox in 1937 at Chicago where he received a thorough training in all departments. He entered the army in 1942 and remained there until last February.

Expect Heavy Post-Season Traffic on Great Lakes

BUFFALO—Great Lakes freighters in a last-of-the-season rush to move millions of tons of cargo for winter ore, coal and grain stockpiles, are expected to engage this year in a busy post-season trade that will run well into December.

Fall sailing weather has been good and lake water temperatures now are as high as they have ever been at this time of year. Ship operators are confident that any abrupt changes in the weather are unlikely to shut out sailings after the Nov. 30 insurance deadline.

Many freighters already are booked to run until mid-December. The shipping race this fall is traceable to last spring's idleness when strikes delayed the start of active lake transportation and resulted in depletion of industrial stockpiles of coal and ore.

Hear Air Cargo Talk

LOS ANGELES—The Marine Underwriters Assn. of Southern California at its November meeting heard an official of United Air Lines speak on "Commercial Aviation and Air Cargo."

Miners Fund \$8 Million

WASHINGTON—The Coal Mines Administration has announced that as of October 31, total collections for the soft coal miner's welfare and retirement fund totaled \$8,114,000. Under terms of a contract between Secretary of Interior Krug, who is operating the soft coal mines, and John L. Lewis, president United Mine Workers of America, a board of three trustees will operate the fund, which is at present in charge of Rear Admiral Walter Buck, paymaster general of the navy.

Union Group Is Busy

BOSTON—Industrial life insurance agents in the C.I.O. industrial agents union have been at work organizing the office workers of Massachusetts Bonding. The union has filed for an election and has asked for a meeting with the company to try to work out plans for taking a vote soon.

RAISE DETROIT ISSUE

DETROIT—The United Office & Professional Workers of America, the C.I.O. union which includes insurance workers, has accused Michigan Mutual Liability of coercion and asked the labor board to void the election which the union lost October 10 by a margin of 14 votes.

Discuss Hiring of Handicapped

Robert L. Edgar of Lon W. Harlow & Co., representing the Insurance Board of St. Louis, discussed "The Attitude of the Insurance Companies in the Hiring of Handicapped" at an institute for employers of the St. Louis industrial area Nov. 20. A number of government and welfare organization officials spoke and the motion picture, "No Help Wanted," was shown through the courtesy of American Mutual Alliance.

WINS HIGH U. S. GOVERNMENT PRAISE

The Assn. of Casualty & Surety Executives has received the highest commendation from the government for its program to encourage the employment of physically impaired workers. It was in the form of an official letter from Perry Faulkner, chief of the veterans employment service of the U. S. employment service.

During the war, at the request of the government, in cooperation with the Center for Safety Education at New York University, the National Conservation Bureau made a two-year scientific study of the proper placement of disabled veterans in regular employment and developed the widely used booklet, "The Physically Impaired—A Guidebook to Their Employment." Several other publications followed. As a result, the program was enlarged to encompass all physically impaired persons.

The government particularly praised the force with which J. Dewey Dorsett, general manager, countered uninformed statements that disabled persons were being denied employment on the ground that they would cause compensation rates to be boosted.

John V. Grimaldi, research engineer of National Conservation Bureau, handled the studies and the preparation of the booklets, and Mr. Faulkner's letter was addressed to him.

A definite improvement in industrial

planning for employing the physically impaired has been shown in the results of a questionnaire survey of 250 industries which has been completed by the Assn. of Casualty & Surety Executives.

The questionnaire revealed that the association's publication, "The Physically Impaired—A Guidebook to Their Employment," was used successfully.

Of the industries surveyed 70.6% stated that they had a placement program for the impaired prior to receiving a copy of the guidebook. Of this number, however, only 25% were small plants. Therefore, it is the small plant that needs assistance in this work more than the larger organizations.

Of the employers who had programs before receiving a copy of the guidebook, 54.2% already had included all seven recommended steps and 38.8% represented small plants. When the plants that had not been following all seven steps were asked whether they operated a complete program now, 73.6% answered that they were and 32% of this total were small employers.

Seventy-five percent said the book had been of assistance in improving or developing their programs. Of this total 40% were small employers. Of the number of plants that never had a program before receiving a copy of the guidebook, 67.6% reported that they are now using the seven steps in full.

Thousands of British Insurance Men Scrapped

Thousands of British insurance men face the loss of either their total or partial incomes as a result of the ministry of national insurance decision to abandon the Approved Societies which have been doing the bulk of the national health insurance work to date. This has been a sore point against the administration for months, following on the refusal of an election pledge that these societies would not be ousted.

That pledge has been broken and these societies told that they have no place now in the scheme of all-in national insurance. Typical of this position is the situation at Prudential Assurance and Prudential Approved Societies where 2,000 staff members have been told they must look for other work as they will become redundant—by government action—when the scheme develops.

Referred to the Government

The news was contained in a letter to them from F. W. Morgan, general manager, who advised them to seek posts under the new ministry. Mr. Morgan stated that as the government is not retaining the present Approved Society systems, the company's staff which was dealing with this class of work will become redundant. It would be impossible for the company to keep them employed.

Until such time as the new ministry of national insurance takes over the work of Approved Societies, branches will carry on their normal routine of work, it has been stated.

The difficulty is that there are very few persons employed whole time on the work of national insurance. The majority of persons are engaged only on part-time work.

It has been assumed, however, that when the new ministry takes over, all these whole-time workers will be given posts under the ministry. With regard to the part-time staff, the position is not yet clear.

Frank H. Noble, Iowa manager of American Surety for more than 40 years, helped one of his associates observe his 30th year with the same company. Mr. Noble placed 30 American Beauty roses on the desk of Robert

Chesebrough, who is in charge of probate bonds in the Iowa office. Mr. Chesebrough served in the first war, resuming his position on his return from service, and has held it ever since.

Seek to Knock Out Pa. Retaliation Against Ohio

HARRISBURG, PA.—A suit asking the Dauphin county court to restrain the Pennsylvania department from enforcing a retaliatory provision on workmen's compensation writing has been filed by Farm Bureau Mutual Automobile.

The reciprocal provisions of the Pennsylvania law operates against all compensation writers in Ohio doing business in Pennsylvania since that state adopted a state fund plan, it was explained. The current suit was filed by George H. Hafer on behalf of the Farm Bureau Mutual.

Raise Commerce Issue

Three years ago the Pennsylvania commissioner invoked the retaliatory provisions of the law and suspended the Ohio company from writing workmen's compensation in Pennsylvania on the ground that Pennsylvania companies could not write similar policies in Ohio.

At that time the Pennsylvania department was directed in a majority opinion of the Dauphin county court to permit Farm Bureau to operate, although one judge dissented. The 1945 legislature later adopted an amendment making clear that the retaliatory provisions apply to Ohio companies.

In view of the legislative amendment, the state supreme court, where the case was taken on an appeal, returned it to the lower court to decide in the light of the 1945 amendment. Meanwhile, the United States Supreme Court has ruled that insurance is commerce and that issued is now raised.

H. G. McGiegler, assistant manager of the burglary and glass department of Fireman's Fund Indemnity, New York, goes to the Fifth Avenue Hospital Nov. 22 for an operation. He will be away from the office two or three weeks.

FCIC RESPONSIVE TO SUGGESTIONS

(CONTINUED FROM PAGE 16)

Of the recommendation that the FCIC agents' contract be reduced to a dollars and cents basis, Mr. Daniels admitted that FCIC has not been able "to do anything on that."

Next, the committee recommended that maximum coverage in dollars allowed should not exceed the farmer's out-of-pocket expense, so as to allow no possibility of profit from crop insurance. Commenting on this, Mr. Daniels said:

"In the cotton program we set up four stages of production, with the coverage about at investment level, and where loss occurs early and the farmer's expense increases, the coverage increases."

On the cutting off of FCIC coverages as soon as possible after harvesting of the crop, suggested by the Warfield committee, Daniels said cotton coverage stops when the product is weighed at the gin, and that is "as soon as it could

be."

The N.A.I.A. suggestion that FCIC employes and losses be paid by the corporation's check, on the ground that who writes the checks is boss, rather than U. S. Treasury check, Daniels said, has been discussed with government lawyers and fiscal specialists, who decided not to make this change in FCIC operations now. However, he added, this matter is "being considered."

Concerning the suggestion that FCIC commissions to agents be increased and standardized and selling of be made more attractive, Daniels said FCIC can not increase commissions now, for lack of money.

The final recommendation was that experienced insurance personnel be brought into FCIC, particularly for underwriting, sales and certain other branches of the work, including employment of specially-trained adjusters.

Need More Money

Mr. Daniels said FCIC has set up its organization chart sections for sales and losses, but that "until we can get more money those positions will not be filled."

In conclusion, Mr. Daniels reiterated that careful consideration has been given to the committee's recommendations, and that a "good percentage" of them have been adopted for cotton, 1934, which, he said, is the only new program adopted since the report was submitted.

Speculation is that the incoming Republican congress will not be so friendly inclined, perhaps, towards FCIC as has been the new deal administration and the outgoing Democratic congress. Since the latter cut FCIC requests for funds by \$2 million, and Republican leaders are preaching economy in government, it is believed in some quarters that FCIC will not unlikely suffer still further cuts under Republican rule.

Warfield Clears All-Industry Stand

(CONTINUED FROM PAGE 17)

for his tireless efforts to keep the subject before all producers. Some may wonder why the N.A.I.A. is not on the same side of the fence.

"Our study of his proposal indicates that the principal difference is that it would be possible for a company to file a rate with any insurance department without supporting information and have that rate become effective immediately without the right of the commissioner to require supporting data on the filing when made," said Mr. Warfield. "We believe that such a system is open to widespread abuses and poses so many questions of practical operating procedure as to make it unfeasible. We believe, further, that while we recognize that fundamentally insurance rates do and must discriminate between risks the proposal of Judge Sawyer could become the breeding ground of unfair discrimination and must be avoided."

Mr. Warfield said no one claims the all-industry bills are the ultimate. They are subject to change as the needs of the business become apparent. He assured his audience that "we will actively participate in all deliberations on these measures and that your interests will be protected to the best of our ability."

Harrington Committee's Dates Are Shifted to Dec. 3-4-5

Because Commissioner Sullivan of Washington, chairman of the National Assn. of Insurance Commissioner committee on fraternalism, has canceled his committee's meeting, Commissioner Harrington of Massachusetts has shifted the dates of federal legislation and rates and rating organizations committees, both of which he heads, to Dec. 3-4-5. Both committees have the same makeup. They will meet at the New York department's New York City office instead of the Hotel Commodore because no space was available at the hotel.

The all-industry committee has also shifted its dates to correspond with those of the Harrington committees.

Cale St. Louis Speaker

Fred Sale, an agent of General American Life and for many years one of its top personal producers, spoke on "They Do Go Together" before the Accident & Health Underwriters Assn. of St. Louis recently. His theme was that the sale of life insurance will also produce accident and health insurance sales, and vice versa.

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INSURANCE

EXCERPT FROM BEST'S 1946 INSURANCE REPORTS

A very notable improvement in the general position of the Firemen's fleet, brought about by sound underwriting practice, efficient management, and a conservative investment policy, is evidenced by a comparative statement of the assets and liabilities as of the close of the years 1935 and 1945.

ASSETS

	Dec. 31, 1945	Dec. 31, 1935
Real Estate	\$4,633,561.	\$6,596,844.
Mortgage Loans	4,414,956.	11,599,897.
U. S. Government bonds	30,518,172.	3,181,284.
F. M. C. bonds	450,000.	4,580,000.
Other bonds	7,922,392.	11,704,579.
Common stocks	15,801,849.	7,656,842.
Preferred stocks	16,781,645.	3,985,942.
Cash	5,911,186.	2,075,852.
Premium balances	7,635,854.	5,245,868.
All others	1,734,017.	1,757,004.
Market value adjustment	580,445.	357,670.
TOTAL	\$96,384,077.	\$58,741,782.

LIABILITIES

	Dec. 31, 1945	Dec. 31, 1935
Loss reserves	\$20,694,505.	\$11,359,513.
Unearned premiums	44,085,268.	24,667,204.
Perpetual deposits	458,449.	552,659.
Miscellaneous	7,479,839.	3,341,097.
TOTAL	\$72,718,061.	\$39,920,473.
Capital	9,397,690.	9,397,690.
Net surplus	14,266,518.	9,386,520.
Minority interest	1,808.	37,099.
Policyholders' surplus	23,666,016.	18,821,309.
TOTAL	\$96,384,077.	\$58,741,782.

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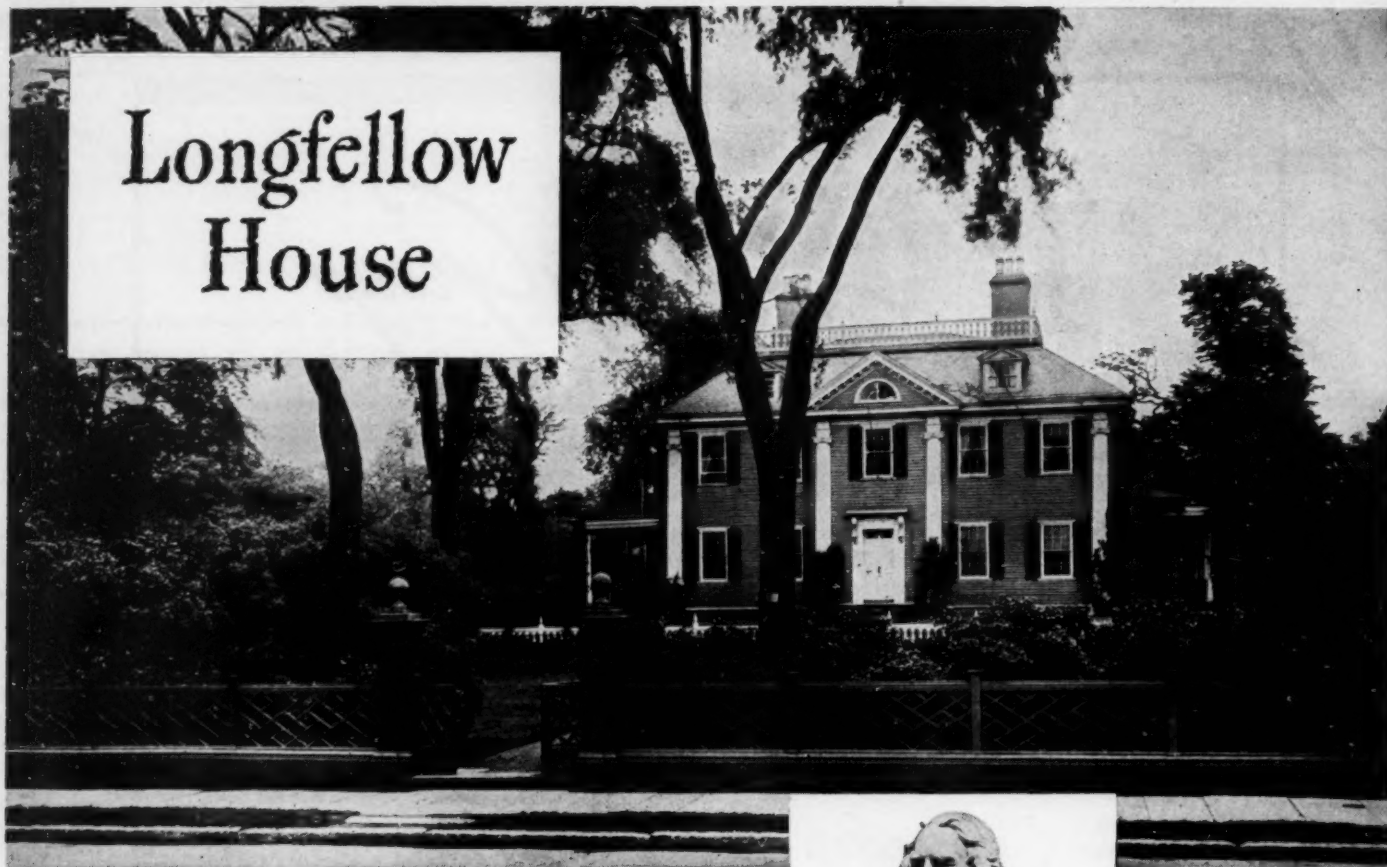


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120 So. LaSalle Street
Chicago 3, Illinois

FOREIGN DEPARTMENT
111 John Street
New York 7, New York

Longfellow House

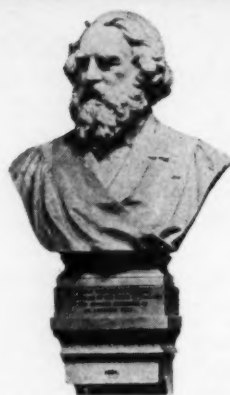


LONGFELLOW HOUSE in Cambridge, Massachusetts is one of America's most beloved homes, for it was there that our favorite poet wrote many of his most delightful poems.

When Henry Wadsworth Longfellow assumed the professorship of modern languages and belles-lettres at Harvard, he was fortunate in securing rooms in the Craigie Mansion. This house in "Tory Row" was built in 1760 by John Vassall, a distinguished financier of the period. At the outbreak of the Revolution, the owner was forced to leave the country because of his sympathies, and the mansion was confiscated. It soon became the favorite rendez-

vous of the Colonial troops, and Washington used it for his headquarters for a long period. Mrs. Washington joined her husband while he was stationed there, and the house and grounds were the scene of many brilliant Colonial festivities. In 1793, the estate was purchased by Andrew Craigie, whose widow was eventually forced to open her home to paying guests. Longfellow was assigned an apartment which included the room used by Washington as his private chamber. In this room the poet wrote the immortal "The Wreck of the Hesperus." In 1843, Longfellow was married to Frances Elizabeth Appleton and the couple was presented with the house as a wedding present from the bride's father.

During the latter years of his life many honors were bestowed on the poet, and his



The first American in Poets' Corner in Westminster Abbey.

home, which had always been very dear to him, had become the meeting place of many illustrious guests. However, his closest friends were probably the children of Cambridge, for the house was always filled with them. In fact, on his seventy-second birthday they presented him with an armchair made of wood from the chestnut-tree of his "The Village Blacksmith."

Many of the distinguished poet's works are based on the American scene and include such widely read and loved titles as "Hiawatha," "Poems on Slavery," "Tales of a Wayside Inn," "The New England Tragedy," "The Hanging of the Crane," "The Old Clock on the Stairs," "Evangeline," and "The Courtship of Miles Standish."

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